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Government  
Publications

*Canada*  
Brief to the Royal Commission on

Banking and Finance

[*Submissions*]

# APPENDICES

Submitted by



THE TORONTO STOCK EXCHANGE



AUGUST 1962







APPENDICES



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9. Insurance Companies - statement showing amount and type of investments 1955 - 1961.
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- 46. (Not allotted)
- 47. Sections 323 and 325 of Criminal Code.
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\* Note: Copies of these appendices in brief for Commission only; additional copies will be provided on request.

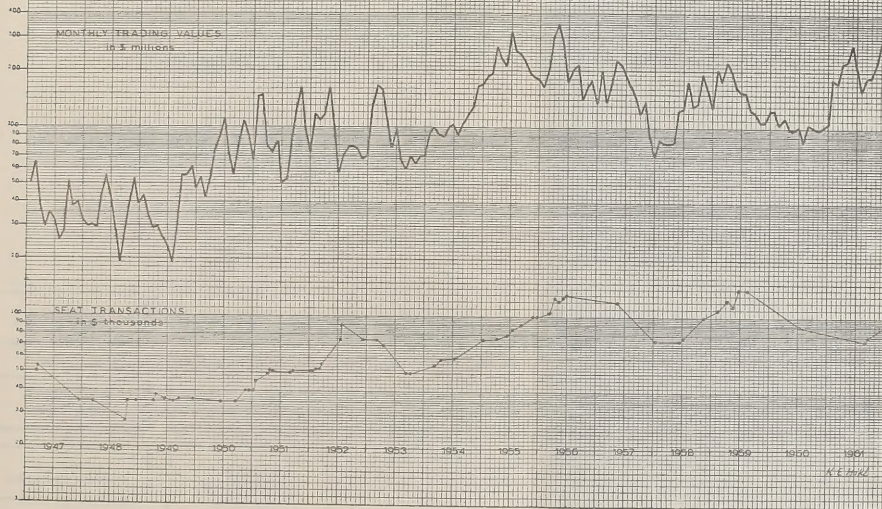




(page IV.)

# THE TORONTO STOCK EXCHANGE

SEAT TRANSACTIONS 1947-1961



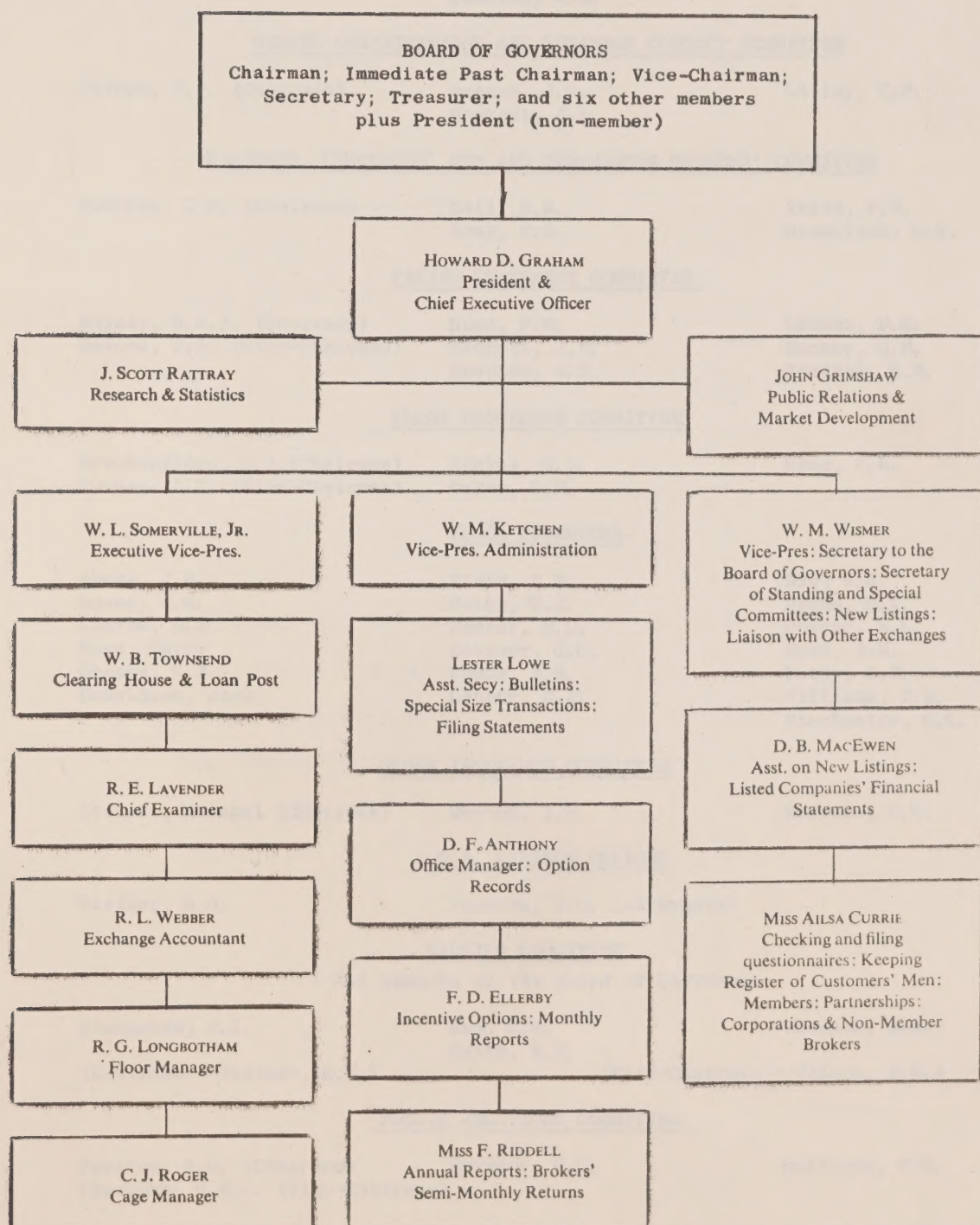
K.E.H.W.






# ORGANIZATION CHART

## OF THE TORONTO STOCK EXCHANGE





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# TORONTO STOCK EXCHANGE TORONTO

May 28th, 1962

## GENERAL COMMITTEES FOR 1962 - 1963

### AUDIT COMMITTEE

Gardiner, G.R. (Chairman)	Deacon, J.S. Funston, R.O.	Stearns, Marshal
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### MEMBER ORGANIZATIONS AND BUSINESS CONDUCT COMMITTEE

Walwyn, J.P. (Chairman)	Deacon, J.S. Hackett, J.A.	Lailey, C.P.
-------------------------	-------------------------------	--------------

### SALESMEN, CUSTOMERS' MEN AND NON-MEMBER BROKERS' COMMITTEE

McBride, C.W. (Chairman)	Bell, H.B. Bond, P.H.	Evans, F.O. Greeniaus, L.W.
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### FILING STATEMENT COMMITTEE

Moysey, M.A.J. (Chairman)	Bond, P.H. Hackett, J.A. Houston, J.E.	Lawson, D.G. Mackay, H.H. Steiner, R.N.
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### FLOOR PROCEDURE COMMITTEE

Breckenridge, R.J. (Chairman)	Atkins, G.S. Osler, G.H.	Rose, F.A.
-------------------------------	-----------------------------	------------

### FLOOR GOVERNORS

Abbey, J.H.	Field, H.E.	Nie, W.J.
Adams, A.G.	Foley, P.J.	Pogue, R.T.
Andrew, L.E.	Fowler, H.C.	Potter, N.L.
Boyd, Harry	Hevenor, G.C.	Ryan, J.M.
Brooks, S.J.	Hubbs, D.H.	Tutty, G.E.
Donaldson, Jack	Lecour, C.J.	Williams, C.M.
		Winchester, G.R.

### GROUP INSURANCE COMMITTEE

Stearns, Marshal (Chairman)	Deacon, J.S.	McBride, C.W.
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### I.D.A. LIAISON OFFICER

Steiner, R.N.	Funston, R.O. (alternate)
---------------	---------------------------

### LISTING COMMITTEE

- All members of the Board of Governors -

Gooderham, P.S.	Kee, C.A. Smith, R.H.	Wisener, C.R.
(Chairman - Steiner, R.N.)	(Vice-Chairman - Walwyn, J.P.)	

### PUBLIC RELATIONS COMMITTEE

Funston, R.O. (Chairman)	Hevenor, G.C.	Matthews, P.W.
Thorburn, W.H.A. (Vice-Chairman)		

NOTE: The Chairman and the Secretary of the Board of Governors are ex-officio members of all Committees.

BY ORDER OF THE BOARD OF GOVERNORS

H.D. GRAMM  
President





RELATIONSHIP OF T.S.E. MEMBERS WITH  
OTHER SECURITY ORGANIZATIONS

<u>Affiliation</u>	<u>No. TSE Member Organizations as at May 15, 1962</u>
None	8
IDAC only	29
IDAC, MSE and CSE	18
BDA only	10
IDAC, MSE, CSE and VSE	6
IDAC, NYSE, MSE and CSE	5
BDA and CSE	5
IDAC, BDA and CSE	4
IDAC and BDA	3
IDAC and CSE	2
IDAC, NYSE and MSE	1
IDAC, NYSE and CSE	1
IDAC and MSE	1
IDAC and VSE	1
IDAC, MSE, CSE, VSE and BDA	1
IDAC, MSE, CSE and BDA	1
IDAC, CSE, VSE and BDA	1
CSE, VSE and BDA	1
MSE and CSE	1
MSE only	1
	<hr/>
Total	100
	<hr/>





PARTNERS OF T.S.E. FIRMS WITH FINANCIAL DIRECTORSHIPS

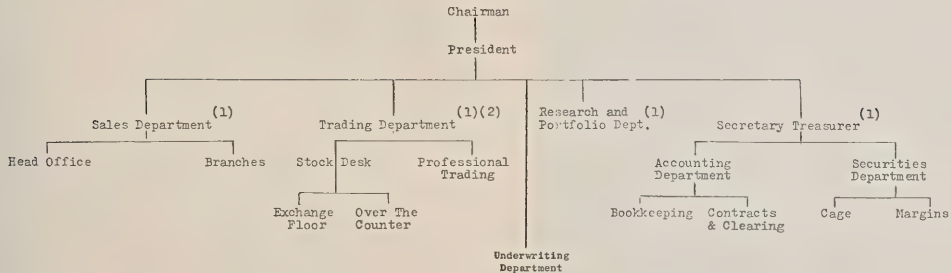
Peter Kilburn (Greenshields)	Merit Insurance
Brian Heward (Jones Heward)	Yorkshire Insurance Co. Ltd. Canada
P. W. Matthews (F) (Matthews & Co.)	Excelsior Life
W. L. S. O'Brien (O'Brien & Williams)	Crown Trust
W. C. Harris (Harris & Partners)	Bank of Nova Scotia Canada Permanent Toronto General Trust Imperial Life Assurance
G. T. Richardson (Jas. Richardson)	Great West Life
James A. Richardson (Jas. Richardson)	Canadian Imperial Bank of Commerce Canadian Indemnity Co.
J. R. Timmins	V. P. & Director, Canadian Imperial Bank of Commerce Royal Trust Co. The Fire Insurance Co. of Canada
Peter S. Gooderham (F) (Wills Bickle)	The Dom. of Can. Gen'l Insce. The Casualty Co. of Canada
R. L. Warren	Can. Perm. Toronto General Trust
R. B. West (F) (A. E. Ames & Co.)	Boiler Insp. Insce.
E. R. Angus (Angus & Co.)	Guaranty Trust Co.
C. F. W. Burns (F) (Burns Bros. & Denton)	Crown Life Chartered Trust Co.
F. J. Crawford (F. J. Crawford & Co.)	Crown Trust
G. E. Phipps (Dom. Securities)	Great Lakes Re-Insurance Global Life Group
Louis P. Gelinas (Geoffrion Roberts & Gelinas)	National Fire & Casualty Insce. Global Life Global Re- Advisor, Chartered Trust Co.
C. L. Gundy (Wood Gundy)	Dominion Life Assco.

(continued)





TYPICAL ORGANIZATION CHART OF T.S.E. MEMBER FIRM



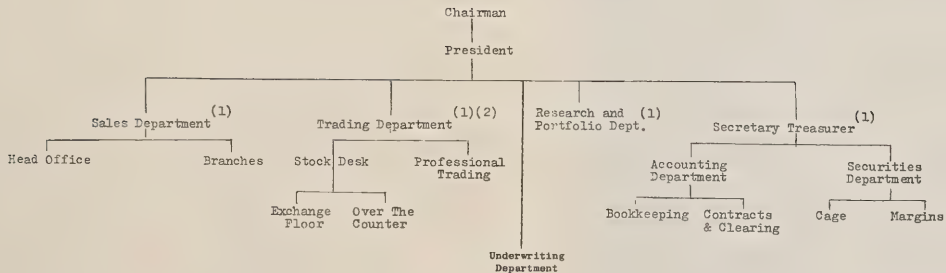
(1) Normally a Director

(2) Normally an Exchange Member





TYPICAL ORGANIZATION CHART OF T.S.E. MEMBER FIRM



(1) Normally a Director

(2) Normally an Exchange Member





## THE TORONTO STOCK EXCHANGE

BOARD OF GOVERNORS - 1962

G. R. Gardiner (Chairman)  
Gardiner, Watson Ltd.

Marshal Stearns (Vice-Chairman)  
T. A. Richardson & Co.

R. O. Funston (Secretary)  
Wood, Gundy & Company

J. S. Deacon (Treasurer)  
F. H. Deacon & Co. Ltd.

H. D. Graham  
President, T.S.E.

J. A. Hackett  
J. Bradley Streit & Co. Ltd.

G. C. Hevenor  
Hevenor & Co.

C. W. McBride  
The Midland Company Limited

E. S. Miles  
Burns Bros. and Denton Limited

R. N. Steiner  
A. E. Ames & Co.

J. P. Walwyn  
Walwyn, Stodgell & Co. Ltd.

E. D. Scott (Immediate Past Chairman)  
J. H. Crang & Co.



TABLE 1

TRUSTEED PENSION PLANS: ASSETS <sup>1</sup>

APP.7

	Industry						Federal Crown Corp. and Govt. Agencies	Prov. Crown Corp. and Govt. Agencies	Municipal Organizations	Educational Organizations	Other 2	Total						
As at December 31	1952	1953	1957	1958	1959#	1960	1959#	1960	1959#	1960	1959#	1960	1959#	1960	1959#	1960	1959#	1960
Millions of Dollars																		
Canadian Securities																		
Government of Canada <sup>3</sup>	264	282	298	309#	359	385	146	170	53	59	15	18	10	11	10	12	591	655
Provincial <sup>3</sup>	164	187	316	328#	364	393	131	133	213	244	34	40	247	286	16	18	1,004	1,114
Municipal <sup>3</sup>	88	104	170	183#	193	220	3	3	19	22	90	104	25	29	10	12	340	389
Corporate & other bonds	87	122	355	436	486	558	8	9	9	11	16	21	5	6	13	18	539	623
Preferred & common stocks	52	61	127	170#	204	239	19	27	-	1	6	7	1	1	6	8	235	282
Foreign Securities																		
Bonds and preferred stocks	-	-	9	10#	2	3	-	-	-	-	-	-	-	-	-	-	3	4
Common stocks	1	3	12	16#	15	23	-	-	-	-	-	-	-	-	-	-	15	23
Mortgage loans	29	35	119	136#	164	167	107	122	-	-	5	5	1	1	2	4	279	300
Cash	14	21	28	33#	28	27	1	2	5	4	2	3	26	29	3	4	66	68
Investment in pooled funds <sup>4</sup>	-	-	14	31	47	69	2	3	-	-	-	-	-	1	4	7	54	79
Other assets <sup>5</sup>	18	19	37	41	48	59	10	4	4	4	5	4	6	7	1	2	73	79
TOTAL	717	835	1,484	1,696#	1,910	2,143	426	472	303	344	175	203	321	371	65	84	3,200	3,616

SOURCE: Dominion Bureau of Statistics. Trusteeds Pension Plans - Financial Statistics, 1960 and similar surveys for 1959, 1958, 1957 and 1953.

1. Book value of assets.

2. Mainly religious, charitable and health organizations, trade and employee associations and cooperatives.

3. Includes guaranteed bonds.

4. Investment with ownership shared by several organizations allowing more diversified investments for small plans.

5. In 1960 "Other Assets" were made up as follows:

	\$ Millions
Accrued interest	34
Real estate and lease-backs	29
Accounts receivable	10
All other assets	6
<b>TOTAL</b>	<b>79</b>

# Revised.





TABLE II

APP. 6

	Total net assets			Percentage of bonds & cash in portfolio			Shares Outstanding			Shareholders Latest Available
	Mar. 31 1962	Mar. 31 1961	Mar. 31 1957	Mar. 31 1962	Mar. 31 1961	Mar. 31 1957	Mar. 31 1962	Mar. 31 1961	Mar. 31 1957	
	\$ Millions			%	%	%		000		
All-Cdn. Compound Fd. ....	17.7	13.7	2.5	34.0	0.1	32.5	2,020	1,716	439	7,374
All-Cdn. Div. Fund .....	10.2	11.7	5.4	33.9	2.4	32.6	4,384	4,223	1,535	2,601
American Growth Fund .....	27.1	16.3	n/o	20.6	10.3	n/o	2,921	1,790	n/o	6,624
Beaubien Corp. ....	16.4	15.3	14.9	20.6	22.9	27.5	488	502	516	n/a
Cdn. Invest. Fund .....	149.1	137.1	87.0	18.1	20.4	5.8	14,050	14,424	9,876	23,389
Canafund .....	26.7	24.2	20.6	2.8	2.9	5.2	599	610	595	n/a
Champion Mut. Fund .....	1.5	1.2	0.2	15.7	23.2	9.8	250	208	45	2,027
Commonwealth Intl. ....	62.1	50.5	10.8	18.8	31.8	9.4	6,771	5,942	1,466	n/a
Comm. Int'l Leverage Fd. ....	9.6	5.6	4.6	8.0	10.6	34.9				
Corporate Investors .....	11.7	10.6	8.3	#17.0	17.5	# 3.5	1,125	1,115	# 964	3,325
Dom. Equity Invests. ....	10.1	9.0	8.3	18.9	18.9	12.4	555	553	580	n/a
First Oil & Gas Fund .....	7.1	5.7	n/o	9.3	9.3	n/o	1,536	1,302	n/o	5,591
Fonds Collectif A .....	7.2	4.0	n/o	29.1	20.7	n/o	1,121	686	n/o	2,961
Do. B .....	1.0	0.6	n/o	100.0	100.0	n/o	183	111	n/o	139
Do. C .....	1.5	0.4	n/o	4.4	1.4	n/o	226	58	n/o	730
Grouped Income Shares .....	16.4	11.6	4.6	7.2	11.0	1.7	4,342	3,161	1,225	6,800
Investors Mutual Fd. ....	306.9	240.2	128.4	22.3	19.4	24.5	23,438	19,726	12,706	56,522
Investors Growth Fd. ....	71.2	57.3	n/o	11.7	11.4	n/o	9,963	8,787	n/o	35,173
Leverage Fund .....							1,178	747	869	n/a
Mutual Accum. Fund #.....	21.4	15.2	7.2	13.8	8.7	30.4	11,079	8,866	5,722	9,800
Mutual Bond Fund .....	1.8	1.5	n/o	100.0	100.0	n/o	259	234	n/o	197
Mutual Income Fund .....	19.5	14.5	7.7	14.0	8.7	30.4	3,494	2,731	1,515	4,108
McLean, Budden .....	2.4	2.0	0.9	33.9	41.4	33.9	143	123	61	328
North American Fund .....	6.7	7.4	n/o	2.1	0.8	n/o	621	761	n/o	3,121
Sav. & Inv. Corp. Mut. Fd. ....	12.3	6.1	0.2	16.2	14.6	86.3	1,780	1,098	34	5,179
Super. Growth Fund .....	0.6	0.6	0.6	0.4	1.5	5.5	265	296	302	601
Supervised Income Fund .....	1.2	1.1	1.0	2.4	14.7	0.1	256	254	251	178
Timed Investment Fd. ....	2.3	2.2	1.6	25.2	25.1	45.9	353	371	319	207
United Accum. Fund #.....	22.9	7.7	n/o	5.8	7.4	n/o	3,638	1,393	n/o	17,321
	844.6	673.3	314.8							

# Reflects stock split.

# Estimate.

n/o - Not operating.

n/a - Not available.

SOURCE: The Financial Post, June 2, 1962.

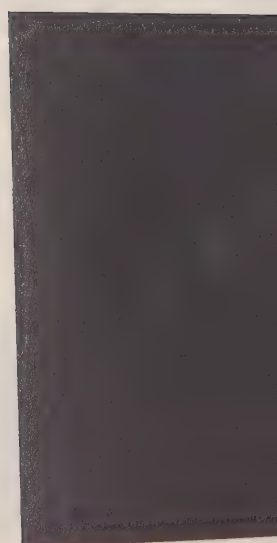




TABLE III

APP. 9

March 1962 As at December 31st	Canadian Assets of Twelve Life Insurance Companies <sup>1</sup>							Percentage Distribution						
	1955	1956	1957	1958	1959	1960	1961	1955	1956	1957	1958	1959	1960	1961
	Millions of Dollars							Percent						
Government of Canada Securities <sup>2</sup>	641.3	494.1	427.5	451.5	478.8	524.0	504.1 <sup>3</sup>	14.2	9.9	8.3	8.2	8.1	8.3	7.5
Provincial Bonds <sup>2</sup>	253.0	262.5	269.0	264.7	298.8	334.8	555.5	3.6	3.4	3.2	4.8	5.1	5.3	8.4 <sup>3</sup>
Municipal Bonds <sup>2</sup>	273.0	297.1	308.2	322.9	352.3	374.3	408.6	6.1	6.1	6.0	5.9	6.0	6.0	6.1
Corporate & Other Bonds <sup>2,4</sup>	1,228.7	1,358.5	1,425.6	1,491.2	1,495.9	1,533.8	1,458.6 <sup>5</sup>	27.3	27.9	27.5	25.9	25.5	24.4	21.7 <sup>3</sup>
Preferred and Common Stocks <sup>5</sup>	61.2	65.2	69.6	73.0	78.4	83.5	104.1	1.3	1.3	1.3	1.3	1.3	1.3	1.5
Own Stock Purchased for Mutualization <sup>6</sup>	-	-	-	46.6	59.2	48.4	22.6	-	-	-	0.8	1.0	0.8	0.3
Mortgage Loans and Sale Agreements <sup>7</sup>	1,665.0	1,973.5	2,181.9	2,335.7	2,555.5	2,778.1	3,037.6	37.0	40.5	42.1	42.3	43.5	44.3	45.2
Real Estate <sup>7,8</sup>	147.2	173.9	215.4	246.0	258.8	275.5	288.4	3.3	3.6	4.2	4.5	4.4	4.4	4.3
Policy Loans <sup>9</sup>	205.6	222.1	241.4	248.7	251.8	277.9	288.0	4.6	4.6	4.7	4.5	4.5	4.4	4.3
Cash <sup>10</sup>	21.2	29.0	34.1	39.9	29.1	35.0	31.4	0.5	0.6	0.6	0.7	0.5	0.6	0.5
All Other Canadian Assets <sup>11</sup>	3.0	3.8	3.7	6.0	6.8	10.9	14.3	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Total Canadian Assets <sup>11</sup>	4,499.2	4,869.7	5,176.4	5,516.1	5,875.4	6,276.2	6,723.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: Companies' annual statements to the Department of Insurance.

- Relates to the life branch assets of 12 life insurance companies whose net premium income in Canada in 1960 was 75.6 per cent of the total of all companies registered under the federal Insurance Acts. Annual changes in asset holdings differ slightly from the net annual Canadian dollar investments of the same companies as shown in the table on page 172, by reason of book valuation adjustments, time lags and minor differences of definition. In the case of the Canadian security holdings of the two companies whose head offices are in the United States the table relates only to securities physically held in Canada by the Receiver General or Canadian trustees.
- Comprises direct and guaranteed bonds, payable only or optionally in Canadian dollars, issued by federal, provincial and municipal governments and by Canadian incorporated companies and institutions. Includes the following holdings of bonds payable optionally in Canadian or foreign currencies:
 

	1955	1956	1957	1958	1959	1960	1961
Government of Canada Bonds .....	2.7	2.5	1.1	0.6	0.6	0.5	-
Provincial Bonds .....	53.1	40.6	34.1	31.6	23.1	14.5	10.8
Municipal Bonds .....	11.5	11.0	10.1	9.8	8.0	7.2	5.7
Corporate & Other Bonds .....	2.3	5.9	5.9	6.0	3.5	3.8	3.4
Total .....	69.6	60.0	51.2	48.0	35.2	26.0	19.9
- Figures for provincial bonds and corporate and other bonds are affected by a reclassification of corporate bonds as provincial-guaranteed bonds resulting from the expropriation of a private utility company by a provincial government in 1961.
- Includes also bonds of foreign incorporated companies and institutions and foreign governments which are payable in Canadian dollars only.
- Stocks of Canadian incorporated companies regardless of the currency in which dividends are paid. Excludes life company purchases of own stock under mutualization plans.
- Purchases of own stock pursuant to section 90A of the Canadian and British Insurance Companies Act (conversion of capital stock companies into mutual companies). Gross purchases amounted to \$65.1 million in 1958, \$43.1 million in 1959, \$13.2 million in 1960 and \$11.3 million in 1961 while amounts written down were \$18.5 million in 1958, \$30.5 million in 1959, \$24.0 million in 1960 and \$37.0 million in 1961.
- All holdings relating to property situated in Canada. 8. Includes real estate held for the production of income. 9. Loans to policyholders whose usual place of residence is in Canada. 10. Cash held in Canadian offices of the life companies or in banks in Canada. 11. Includes all other "ledger" assets which are admitted by the federal Dept. of Insurance and physically held in Canada. Excludes "non-ledger" assets such as amounts due and accrued from investment income, rent, insurance premiums, annuity considerations, and amounts due from other companies.

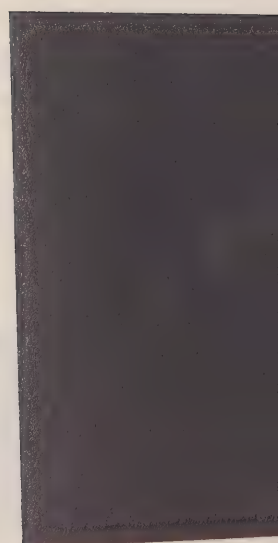


TABLE III

APP. 10

SUPPLY OF COMMON SHARES ON THE TORONTO STOCK EXCHANGE

	(1) Number Stocks Listed (year end)	(2) Quoted Market Value (year end)	(3) Number Shares Traded	(4) Value Shares Traded
1946	768	\$ 7,241,067,336	374,636,259	\$ 740,742,061
1947	822	7,158,073,571	303,967,771	464,327,216
8	854	7,503,205,255	250,761,835	433,715,563
9	867	8,011,573,154	249,229,702	452,652,332
50	915	10,193,333,396	506,595,465	902,461,781
1	957	12,696,442,554	561,502,831	1,174,246,660
2	1,015	20,158,168,690	595,954,211	1,109,716,542
3	1,035	20,548,137,758	853,251,311	1,143,210,402
4	1,047	33,866,230,813	776,441,158	1,349,697,159
5	1,070	44,834,671,957	1,513,476,109	2,699,008,896
6	1,123	43,491,994,210	1,349,659,259	2,510,751,759
7	1,143	40,772,031,075	927,108,851	1,864,830,876
8	1,130	47,991,296,192	828,599,057	1,505,862,397
9	1,131	51,739,100,636	763,234,611	1,860,422,327
60	1,181	45,757,092,851	469,691,543	1,223,330,494
1	1,117	61,073,003,553	719,320,976	2,526,349,069





TABLE IV

APP. 11

## - SUMMARY OF NET SECURITY ISSUES IN CANADA -

- Per Value in Millions of Canadian Dollars -

	(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
	Corporate Issues	Preferred Stocks	Common Stocks	Total Preferred & Common Stocks	Total Corporate Issues (1) (4)	% Preferred & Common of Total		All Other Including Government & Short Term Paper	Total (5) (7)
						Pref.	Common		
1954	445	25	147	172	617	4.1	23.8	355	972
1955	323	95	367	462	785	12.1	46.8	1,063	1,848
6	792	175	514	689	1,481	11.8	34.7	193	1,579
7	954	89	426	515	1,469	6.1	29.0	510	2,279
8	661	25	237	312	973	2.6	29.5	2,099	3,072
9	105	72	331	403	508	14.2	65.1	1,743	2,251
60	279	52	183	235	514	10.1	35.6	503	2,022
1	254	-60	303	243	497	-12.1	61.0	1,990	2,487

Source: Bank of Canada Statistical Summary





NET NEW ISSUES OF CORPORATE STOCKS - INDUSTRIAL CLASSIFICATION

	Millions of Dollars							
	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>Total</u>
Iron & Steel & Products	31	46	31	17	31	8	56	220
Uranium Mines & Products	16	5	5	15	16	-	-10	50
Other Non Ferrous Metal Mines & Products	135	63	23	14	7	26	23	296
Non Metallic Mines & Products	12	11	2	5	13	3	1	47
Petroleum & Products	56	165	111	127	16	5	25	505
Wood & Paper & Products	9	42	12	-	-	23	5	91
Other Manufactured Products	24	23	27	17	21	21	13	151
Railways & Telegraphs	2	1	3	6	3	-	-1	14
Telephones	79	100	99	14	113	23	103	536
Pipelines	8	27	55	1	2	32	19	144
Other Utilities	23	62	73	34	60	15	-68	202
Merchandisers	13	26	9	1	14	6	21	90
Installment Finance & Small Loan Co's.	10	16	-	3	3	6	6	44
Other Financial, Insurance & Real Estate	42	34	60	56	99	60	30	439
Other	<u>3</u>	<u>2</u>	<u>5</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>15</u>
Total	463	606	515	310	405	233	232	2,844



TABLE VII

APP.13

FOREIGN CAPITAL INVESTED IN CANADA BY TYPE OF INVESTMENT, CLASSIFIED BY  
ESTIMATED DISTRIBUTION OF OWNERSHIP, AS AT DEC. 31, 1959

<u>Type of Investment</u>	<u>Estimated Distribution of Ownership</u>			<u>Total Invest- ments of Non- residents</u>
	<u>United States</u>	<u>United Kingdom</u>	<u>Other Countries</u>	
	<u>\$'000 000</u>	<u>\$'000,000</u>	<u>\$'000,000</u>	<u>\$'000,000</u>
<u>Government Securities--</u>				
Federal .....	303	60	169	612
Provincial .....	1,509	43	23	1,555
Municipal .....	572	33	10	615
Totals, Government Securities .....	<u>2,764</u>	<u>141</u>	<u>207</u>	<u>3,112</u>
<u>Public Utilities--</u>				
Railways .....	472	783	150	1,405
Other (excluding pipelines and public enterprises) ..	<u>544</u>	<u>125</u>	<u>70</u>	<u>739</u>
Totals, Public Utilities .....	<u>1,016</u>	<u>908</u>	<u>220</u>	<u>2,144</u>
Manufacturing (excluding petroleum refining) .....	4,530	945	251	5,726
Petroleum and natural gas .....	3,103	162	185	3,455
Other mining and smelting .....	1,513	160	110	1,773
Merchandising .....	612	225	41	700
Financial institutions .....	1,471	413	306	2,190
Other enterprises .....	225	45	14	284
Miscellaneous investments .....	<u>572</u>	<u>200</u>	<u>42</u>	<u>1,251</u>
Totals, Investments .....	<u>15,811</u>	<u>3,199</u>	<u>1,623</u>	<u>20,633</u>





## ASSETS OF CANADIAN INSTITUTIONAL INVESTORS

Millions of Dollars

	1957						1958					
	Trusteed Pension Plans	Seventeen Trust Companies	Seven Mortgage Loan Companies	Life Ins. Co's.	Total		Trusteed Pension Plans	Seventeen Trust Companies	Seven Mortgage Loan Companies	Life Ins. Co's.	Total	
					Amount	%					Amount	%
Government of Canada Securities	4.1	131	46	53	1,456	11.6	456	167	57	557	1,277	11.3
Provincial Bonds	225	75	11	415	1,326	12.6	251	111	19	424	1,405	12.4
Municipal Bonds	275	35	6	427	749	7.2	306	44	7	456	413	7.2
Corporate & Other Bonds	3.9	99	12	1,749	2,249	21.5	4.1	111	15	1,755	2,465	21.7
Preferred & Common Stocks	141	23	29	139	337	3.3	215	29	30	150	442	3.9
Own Stock Purch. for Mutualisation	-	-	-	-	-	-	-	-	-	-	47	.4
Foreign Bonds & Preferred	9	-	-	123	137	1.3	7	-	-	103	115	1.0
Foreign Preferred & Common	13	-	-	76	89	.9	23	-	-	75	90	.9
- Pooled Funds	15	-	-	-	15	.1	36	-	-	-	36	.3
Mortgage Loan & Sale Agreements	175	257	4.3	2,367	3,299	31.6	231	323	533	2,529	3,616	31.9
Real Estate	-	10	11	223	244	2.4	-	10	11	250	271	2.4
Policy and Other Loans	-	39	-	295	334	3.2	-	54	-	305	359	3.1
Cash	61	35	22	47	165	1.6	64	35	19	54	171	1.5
Other Assets	70	15	16	106	207	2.0	71	17	16	121	225	2.0
Total	2,460	727	641	6,510	10,338	100.0%	2,791	501	714	6,924	11,740	100.0%
	1959						1960					
	Trusteed Pension Plans	Seventeen Trust Companies	Seven Mortgage Loan Companies	Life Ins. Co's.	Total		Trusteed Pension Plans	Seventeen Trust Companies	Seven Mortgage Loan Companies	Life Ins. Co's.	Total	
					Amount	%					Amount	%
Government of Canada Securities	591	1.2	54	617	1,444	11.6	655	260	52	699	1,672	12.2
Provincial Bonds	1,064	96	21	452	1,533	12.7	1,114	122	23	526	1,765	12.9
Municipal Bonds	340	43	7	507	897	7.2	349	59	7	547	1,002	7.3
Corporate & Other Bonds	539	142	15	1,924	2,620	21.0	623	193	16	1,913	2,821	20.6
Preferred & Common Stocks	235	33	41	171	480	3.9	242	35	44	176	537	3.9
Own Stock Purch. for Mutualisation	-	-	-	59	59	.5	-	-	-	49	49	.4
Foreign Bonds & Preferred	3	-	-	116	119	1.0	4	-	-	121	125	.9
Foreign Preferred & Common	15	-	-	70	85	.7	23	-	-	70	93	.7
- Pooled Funds	54	-	-	-	54	.4	79	-	-	-	79	.6
Mortgage Loan & Sale Agreements	279	345	5.9	2,707	4,040	32.4	300	442	657	3,111	4,410	32.2
Real Estate	-	11	12	267	290	2.3	-	12	12	25	309	2.2
Policy and Other Loans	-	40	-	323	371	3.0	-	51	-	344	395	2.9
Cash	66	39	24	42	171	1.4	64	39	21	49	176	1.3
Other Assets	71	19	20	170	280	2.2	70	12	22	147	260	1.9
Total	3,200	991	753	7,475	12,419	100.0%	3,416	1,210	860	8,007	13,693	100.0%
												% Increase 1957 - 1960
												39.8
												33.1
												33.7
												25.4
												59.3
												-
												-8.8
												4.5
												426.7
												34.0
												26.6
												13.3
												6.7
												25.6
												32.5

Source: Bank of Canada Statistical Summary



# TORONTO STOCK EXCHANGE TORONTO

RULING NO. 39

## MINIMUM MARGIN REQUIREMENTS (See By-Law 54)

1. The minimum amount of margin which must be obtained from customers on all securities (which minimum margin must be maintained) shall be as follows:

2. LISTED SECURITIES

- a) On securities (other than bonds and debentures) posted for trading on the Toronto Stock Exchange, listed on any recognized Exchange in Canada or the United States and on the Stock List of The Stock Exchange, London:

On securities selling:  
At \$1.00 and over . . . . . 50%

- b) Securities selling under \$1.00 may not be carried on margin except as provided in the next paragraph.

This provision shall not prevent a member, member firm or member corporation from continuing to carry on a marginal basis a security which was purchased or accepted as collateral when selling at \$1.00 or over and which subsequently is quoted on the Exchange at a bid price of 50 cents or over. If such securities are quoted on the Exchange at a bid price of less than 50 cents, they shall not be carried on margin, but such securities may be carried on margin when again quoted at a bid price of 50 cents or over.

- c) The above requirements shall apply to purchases, short sales and "when issued" transactions.

3. BONDS AND DEBENTURES

- a) Group 1 - Canadian, Canadian Guaranteed and U.S. Government - maturing as follows:

Margin Required

Within 6 months	1/10 of 1% of market value
From 6 months to 3 years	1 point
From 3 years to 5 years	1 1/2 points
From 5 years to 10 years	2 points
From 10 years to 20 years	3 points
Over 20 years	5 points

- b) Group 2 - Provincial and Provincial Guaranteed - maturing as follows:

Margin Required

Within 6 months	1/2 point
From 6 months to 3 years	1 point
From 3 years to 5 years	2 points
From 5 years to 10 years	3 points
Over 10 years	5 points

- c) Group 3 - Municipal, School Commission, Religious Order and Hospital Corporation bonds and debentures, not in default:

Margin Required - 5 points



- 2 -

d) Group 4 - Other non-commercial bonds and debentures, not in default;

Margin Required - 10 points

e) Group 5 - Commercial bonds and debentures:

(i) Not in default, selling above 50% of par value and maturing:

Margin Required

Within 5 years	5 points (see note)
5 to 10 years	7 points (see note)
Over 10 years	10 points (see note)

NOTE: If convertible into securities acceptable for margin purposes add 25% of the excess of market value over par.

If convertible into securities not acceptable for margin purposes add 100% of the excess of market value over par.

(ii) Selling at 50% of par value and under:

Margin Required - 50% of market value

f) Group 6 - Bonds in default:

Margin Required - 50% of market value

4.

#### TERM PAPER

Group 7 - Marketable prime commercial paper of companies which have securities listed on a recognized Exchange in Canada, or such other paper as may be from time to time approved by the Audit Committee:

Margin Required - All maturities: 1 point

5.

#### OTHER SECURITIES

Long Position - All securities not mentioned above shall not be acceptable for margin purposes.

Short Position - All securities not mentioned above shall be margined 100%.

6.

#### NOTE

The following unlisted securities shall be accepted for margin purposes on the same basis as listed securities:

- Securities of insurance companies licenced to do business in Canada.
- Securities of Canadian banks.
- Securities of Canadian trust companies.
- Securities of Canadian Mutual Funds.
- Other senior securities of already listed companies.





Table I

Growth of Shareowners in the United States  
of Public Corporations

	<u>Number of Individual Share Owners</u>
1959	12,490,000
1956	8,630,000
1952	6,490,000

5. The proportion of women in the share owning population of the United States increased slightly from 1952 to 1959. Women accounted for 52.5% adult shareowners in 1959 compared with 51.4% in 1956 and 49.4% in 1952.

Table II

Individual Shareowners in the United States  
of Public Corporations

Distribution by Sex

<u>Sex</u>	<u>Individual Shareowners</u>					
	<u>1959</u>		<u>1956</u>		<u>1952</u>	
	<u>Number</u>	<u>Per Cent of Total</u>	<u>Number</u>	<u>Per Cent of Total</u>	<u>Number</u>	<u>Per Cent of Total</u>
Adult Males	5,740,000	47.5%	4,020,000	48.6%	3,210,000	50.6%
Adult Females	6,347,000	52.5%	4,260,000	51.4%	3,140,000	49.4%
Total	12,087,000	100.0%	8,280,000	100.0%	6,350,000	100.0%

6. Of the total adult population in the United States the percentage of shareowners among women has increased from 6.1% in 1952 to 11.5% in 1959. At the same time the percentage of shareowners among men increased at a somewhat slower rate from 6.7% in 1952 to 11.4% in 1959.

Table III

Individual Shareowners in the United States  
of Public Corporations

Distribution by Sex

<u>Sex</u>	<u>Total Adult Population by Sex</u>	<u>Per Cent of Each Sex who are Shareowners</u>		
	<u>1959</u>	<u>1959</u>	<u>1956</u>	<u>1952</u>
Adult Males	50,290,000	11.4%	8.5%	6.7%
Adult Females	55,140,000	11.5%	8.1%	6.1%
Total	105,430,000	11.5%	8.3%	6.4%

7. Share ownership in the United States occurs most often in the 55 to 64 age bracket where one out of every 6 is a shareowner. The 45 to 54 age group and the 65 and older age groups contain the next highest



proportion of shareowners - one out of 7. For the total share owning population the median age was 49.

Table IV  
Individual Shareowners in the United States  
of Public Corporations  
Distribution by Age Group  
1959 Census

<u>Age Group</u>	<u>Individual Shareowners</u>		<u>Total Population by Age Group</u>	<u>Per Cent of each Age Group who are Share- owners</u>
	<u>Number</u>	<u>Per Cent of Total</u>		
21 to 34 years	2,444,000	20.2%	30,923,000	7.9%
35 to 44 years	2,064,000	17.1%	23,605,000	8.7%
45 to 54 years	2,800,000	23.2%	20,327,000	13.8%
55 to 64 years	2,666,000	22.1%	15,340,000	17.4%
65 years and older	<u>2,113,000</u>	<u>17.4%</u>	<u>15,235,000</u>	<u>13.9%</u>
Sub-Total	12,087,000	100.0%	105,430,000	11.5%
Not classified by age	<u>403,000</u>		<u>74,146,000</u>	
	<u>12,490,000</u>		<u>179,576,000</u>	

8. As might reasonably be predicted, a larger percentage of individuals in the higher income groups are shareholders compared with those in the lower income group. According to the 1959 Census of Shareowners, the percentage of shareowners in each income group covered ranged in an ascending scale from 2.5% for the under \$3,000 income group to 36.8% for the \$25,000 and over income group. However, because the lower income groups make up the largest proportion of the population, there are more shareowners in these groups by absolute numbers than in the higher income groups. Almost half of all shareowners are in the \$5,000 to \$10,000 income bracket.





Individual Shareowners in the United States  
of Public Corporations

Distribution by Income Group  
1959 Census

<u>Reported Household Income</u>	<u>Individual Shareowners</u>		<u>Total Population by Income Group</u>	<u>Per Cent of Each Income Group who are Shareowners</u>
	<u>Number</u>	<u>Per Cent of total</u>		
Under \$3,000	1,106,000	9.0%	43,871,000	2.5%
\$3,000 to \$5,000	2,469,000	20.1%	44,218,000	5.6%
\$5,000 to \$7,500	3,145,000	25.6%	50,807,000	6.2%
\$7,500 to \$10,000	2,776,000	22.6%	19,769,000	14.0%
\$10,000 to \$15,000	1,769,000	14.4%	11,271,000	15.7%
\$15,000 to \$25,000	700,000	5.7%	2,601,000	26.9%
\$25,000 and over	<u>319,000</u>	<u>2.6%</u>	<u>867,000</u>	<u>36.8%</u>
Sub-Total	12,284,000	100.0%	173,404,000	7.1%
No classified by income	<u>206,000</u>		<u>6,172,000</u>	
Total	<u>12,490,000</u>		<u>179,576,000</u>	

9. Stocks are by no means the only investments held by shareowners.

The 1959 Census of Shareowners found that :

- 81% have life insurance
- 80% have savings accounts
- 68% own their own homes
- 59% have U.S. Government Bonds
- 37% have pension plans.

10. Shareowners are fairly evenly divided among the four major educational groups examined. However, as in the case of income groups, share ownership moves up sharply with the amount of formal education. Almost four out of 10 adult Americans who are college graduates own shares in public corporations. This is roughly four times the rate among high school graduates, and eight times the rate among those who did not complete high school. All told, 51% of adult shareowners in 1959 had some college training compared to 48% in 1956 and 41.4% in 1952.



Table VI

Individual Shareowners in the United States  
of Public Corporations

Distribution by Education  
1959 Census

<u>Last Year of School Completed</u>	<u>Individual Shareowners</u>		<u>Total Population by Education</u>	<u>Per Cent of Each Educational Group who are Shareowners</u>
	<u>Number</u>	<u>Per Cent of Total</u>		
3 Yrs. High School or less	2,804,000	23.2%	52,609,000	5.3%
4 Yrs. High School	3,130,000	25.9%	33,844,000	9.2%
1-3 years College	2,587,000	21.4%	9,805,000	26.4%
4 yrs. College or more	<u>3,566,000</u>	<u>29.5%</u>	<u>9,172,000</u>	<u>38.9%</u>
Sub-Total	12,087,000	100.0%	105,430,000	11.5%
No classified by education	<u>403,000</u>		<u>74,146,000</u>	
Total	<u>12,490,000</u>		<u>179,576,000</u>	

11. Housewives (and non-employed adult women) are the largest single occupational group among shareowners, just as they are the largest group in the total adult population of the United States. Other leading occupational groups are the managerial and professional groups followed closely by the clerical and sales groups. Better than one in 4 adults in the managerial and professional groups are shareowners compared with one in 9 for the clerical and sales group. Among non-employed adult males - mainly retired persons - one in 7 are shareowners.



Table VII

Individual Shareowners in the United States  
of Public Corporations

Distribution by Occupation  
1959 Census

<u>Occupation</u>	<u>Individual Shareowners</u>		<u>Total Population by Occupation</u>	<u>Per Cent of Each Occupational Group who are Shareowners</u>
	<u>Number</u>	<u>Per Cent of Total</u>		
Proprietors, Managers and Officials	1,982,000	16.4%	6,958,000	28.5%
Professional and Semi-Professional	1,934,000	16.0%	7,275,000	26.6%
Clerical & Sales	1,801,000	14.9%	13,706,000	13.1%
Craftsmen & Farmers	580,000	4.8%	8,540,000	6.8%
Operatives and Labourers	411,000	3.4%	14,971,000	2.7%
Farmers and Farm Labourers	73,000	0.6%	4,533,000	1.6%
Housewives and Non- Employed Adult Females	4,000,000	33.1%	34,476,000	11.6%
Non-Employed Adult Males	980,000	8.1%	6,958,000	14.1%
Sub-Total	12,087,000	100.0%	105,430,000	11.5%
Not classified by Occupation	403,000		74,146,000	
Total	12,490,000		179,576,000	

12. The 1959 Census of Shareholders in the United States showed for the first time how shareowners first acquired stock. Half of the shareowners first acquired shares through a broker.

Table VIII

Individual Shareowners in the United States  
of Public Corporations

How they First Acquired Shares

<u>How First Acquired Shares</u>	<u>Number of Shareowners</u>	<u>Per Cent of Total</u>
Bought through Brokers	6,080,000	49.5%
Through company worked for	2,592,000	21.1%
Bought through bank	1,585,000	12.9%
Gift or inheritance	1,560,000	12.7%
Other	381,000	3.1%
Don't Remember	86,000	0.7%
Sub-Total	12,284,000	100.0%
Not classified by how first acquired shares	206,000	
Total	12,490,000	





**Individual Taxation Statistics - Canada**  
**1959 Taxation Year**

**Distribution by Income Classes**

<u>Income Classes</u>	<u>Dividend Income as a Percentage of Income Assessed</u>	<u>Dividend Income per Taxable Return</u>
Under \$3,000	.69%	\$ 17.00
\$3,000 - \$4,999	.48%	19.00
\$5,000 - \$7,499	.87%	52.00
\$7,500 - \$9,999	2.08%	174.00
\$10,000 - \$14,999	4.21%	501.00
\$15,000 - \$24,999	6.69%	1,244.00
Over \$25,000	<u>14.49%</u>	<u>6,091.00</u>
Average for all classes	<u>1.70%</u>	<u>\$ 70.00</u>

Taxation statistics also provide some indication of the geographical distribution of shareholders in Canada. Table below shows the average dividend income of individual taxpayers in the various provinces and larger communities of Canada.

<u>Place</u>	<u>Dividend Income (000's omitted)</u>	<u>Dividend Income as a Percentage of Income Assured</u>	<u>Dividend Income Per Average Income Return</u>
Newfoundland	\$ 1,894	1.04%	\$ 40
Nova Scotia	9,879	2.30	85
New Brunswick	5,471	1.77	64
Quebec (total)	77,371	1.88	76
Montreal	60,852	2.52	108
Quebec City	5,187	2.18	90
Ontario (total)	125,364	1.65	69
Toronto	59,213	2.27	98
Ottawa	8,728	2.01	87
Hamilton	7,639	1.58	69
Manitoba	12,689	1.52	60
Saskatchewan	6,734	1.05	41
Alberta	15,746	1.26	52
British Columbia	39,179	2.01	86
Vancouver	20,625	2.24	98
Victoria	7,898	4.55	189
West Vancouver	2,415	4.71	317



## GEOGRAPHIC DISTRIBUTION OF TORONTO STOCK EXCHANGE MEMBER FIRM OFFICES AND STOCK TICKERS







THE TORONTO STOCK EXCHANGE

APP. 19

<u>Year</u>	<u>A</u> Total Share Volume	<u>B</u> Total Trading Dollar Value	<u>C</u> Average Daily Share Volume	<u>D</u> Total Number of Transactions	<u>E</u> Average Daily Number of Transactions
1934	341,320,973	\$ 414,635,654	1,354,448	948,547	3,764
1935	173,195,744	344,331,463	687,285	629,220	2,497
1936	450,848,705	699,261,852	1,789,082	1,280,436	5,081
1937	276,528,718	650,980,963	1,097,336	1,096,913	4,353
1938	212,186,809	444,406,572	842,011	831,334	3,299
1939	120,930,702	293,293,960	479,884	550,379	2,184
1940	74,930,621	132,515,961	297,344	312,226	1,239
1941	53,263,435	82,865,593	211,363	206,491	819
1942	38,805,347	58,287,507	153,989	141,484	561
1943	114,625,706	182,074,580	454,864	333,133	1,322
1944	172,234,102	266,081,439	683,469	437,815	1,737
1945	441,764,395	617,817,836	1,753,033	888,818	3,527
1946	374,363,259	748,742,061	1,485,568	955,736	3,793
1947	318,984,817	464,327,216	1,265,813	730,612	2,899
1948	250,701,216	438,815,513	994,846	632,977	2,512
1949	249,229,702	452,653,332	989,007	651,387	2,585
1950	506,595,565	902,461,781	2,010,300	1,087,111	4,314
1951	561,466,831	1,174,246,840	2,228,043	1,234,807	4,900
1952	599,954,211	1,109,716,542	2,380,771	1,346,430	5,343
1953	853,251,311	1,143,210,402	3,385,918	1,558,129	6,183
1954	776,441,158	1,349,697,159	3,081,116	1,603,854	6,365
1955	1,512,615,429	2,699,008,896	6,002,442	2,643,863	10,492
1956	1,349,467,618	2,510,751,759	5,355,030	2,569,690	10,197
1957	927,108,854	1,864,830,780	3,679,003	1,994,797	7,916
1958	828,599,059	1,505,862,397	3,288,092	1,685,507	6,689
1959	763,234,610	1,860,422,327	3,028,709	1,808,450	7,176
1960	469,691,543	1,223,330,494	1,863,855	1,209,541	4,800
1961	719,320,836	2,526,349,869	2,854,448	1,845,100	7,322

- A. Total share volume is the total number of shares transacted during the year indicated
- B. Total trading dollar value is the total value of the shares transacted during the year indicated.
- C. Average daily share volume is the total number of shares traded during the year divided by the number of trading days.
- D. The total number of transactions is the total number of individual orders executed during the year indicated.
- E. The average daily number of transactions is the total number of orders executed during the year divided by the number of trading days.



*Sec. 1 (l) of The Ontario  
Securities Act.*

(l) "primary distribution to the public" used in relation to securities means,

- (i) trades that are made for the purpose of distributing to the public securities issued by a company and not previously distributed,
- (ii) trades in previously distributed securities for the purpose of redistributing such securities to the public where the securities form all or a part of or are derived from the holdings of any person or company or any combination

of persons or companies holding a sufficient quantity of such securities or of the securities from which such securities have been derived to materially affect the control of the company that is the issuer of the securities,

whether such trades are made directly to the public or through an underwriter, optionee, sub-underwriter, sub-optionee or otherwise and includes any transaction involving a purchase and resale, or a repurchase and resale, in the course of or incidental to such distribution or redistribution to the public but does not include either a trade through a person or company registered for trading in securities under this Act who is not engaged in such distribution or redistribution to the public but is acting as the agent of the purchaser or a sale by a person or company not engaged in such distribution or redistribution to the public;



# TORONTO STOCK EXCHANGE

## UNDERWRITINGS AND OPTIONS OF TREASURY SHARES



### CIRCULAR No. 5

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PROCEDURE FOR HANDLING NOTICES OF PROPOSED SALES  
AND OPTIONS OF TREASURY SHARES OF LISTED  
COMPANIES RECEIVED PURSUANT  
TO BY-LAW 62

PROCEDURE FOR HANDLING NOTICES OF PROPOSED SALES  
AND OPTIONS OF TREASURY SHARES OF LISTED COMPANIES  
RECEIVED PURSUANT TO BY-LAW 62

The following principles are established as the basis for notices which under ordinary circumstances should be accepted for filing, but due compliance with these will not necessarily mean that a notice will be accepted and, furthermore, failure to comply with any or all of them will not necessarily mean that a notice will not be accepted:

An option without an underwriting shall not be accepted.

- (2) An underwriting shall be all payable forthwith or if the deal is contingent upon an increase or other alteration in the capitalization, not later than the date of the issue of the **Supplementary Letters Patent**.
- (3) (a) The minimum underwriting or sale price shall be 15 cents a share, except on the first underwriting or sale following a capital reorganization involving a change of name and a consolidation of shares when it shall be in the discretion of the Board of Governors.  
  
(b) A minimum underwriting price of 10 cents a share has been approved in principle in exceptional circumstances. The Filing Statement Committee will consider the circumstances in each particular application and will determine whether an option may be permitted at the same price as the underwritten shares.
- (4) The minimum amount underwritten shall be as follows:-
  - (a) In ordinary cases \$30,000.
  - (b) When a company increases its issued capitalization, including the proposed underwriting and option, above \$5,000,000 or 5,000,000 shares, the minimum underwriting shall be in the discretion of the Board of Governors.
  - (c) In other cases in the discretion of the Board of Governors.
- (5) When two separate deals are provided within a period of three months, they shall be regarded as if they constituted one deal and the customary provisions for one deal will apply.



- (6) The initial price of an underwriting shall be at not more than the following discount from the market:

At \$ .15 and up to \$ .50.....	25%
At \$ .51 and up to \$1.00.....	20%
At \$1.01 and up to \$2.00.....	18%
At \$2.01 and up to \$5.00.....	15%
Above \$5.00.....	10%

- (7) Not more than 1,000,000 shares shall be included in an agreement and not more than 200,000 shares shall be specified at any one price, except than an option on 200,000 shares may be permitted at the same price as the underwritten shares. In no case shall the number of shares of an option at the underwriting price exceed the number of shares underwritten.

- (8) There shall be at least a 5 cent spread provided between each price range up to 50 cents, at least a 10 cent spread from there to \$1.00 and at least 25 cents thereafter.

- (9) Option instalments shall be at intervals of not more than 3 months and not extended in all more than 18 months.

- (10) Underwriting and option agreements shall contain the following "acceleration clause " or its equivalent:

- (i) if the shares of the company sell on any stock exchange or stock exchanges at a price in excess of the limit price hereinafter set forth in respect of the option remaining outstanding bearing the lowest price, the underwriter and optionee will from time to time forthwith exercise such option and purchase optioned shares thereunder to the extent of 50% of all shares of the company sold on all stock exchanges in excess of said limit price.
- (ii) if the shares of the company sell on any stock exchange or stock exchanges in excess of the said limit price in respect of more than one outstanding option, the underwriter and optionee will forthwith exercise in full all such options and purchase all optioned shares thereunder up to but not including the shares optioned at the highest option price to which the limit price has become applicable.

(iii) The " limit price " shall be as follows:

200% of the option price when such option price is 50 cents a share or under,

175% of the option price when such option price is above 50 cents a share and under \$1.00 a share,

160% of the option price when such option price is not less than \$1.00 a share and under \$2.00 a share,

150% of the option price when such option price is not less than \$2.00 a share and under \$3.00 a share,

140% of the option price when such option price is not less than \$3.00 a share and under \$4.00 a share,

130% of the option price when such option price is not less than \$4.00 a share.

(11) Underwriting and option agreements shall contain the following clause relating to " sub-options " or " sub-underwritings ":

The Underwriter agrees that he will not hereafter enter into any agreement or agreements in the nature of a sub-option agreement, sub-underwriting agreement or assignment with respect to any of the shares herein underwritten or optioned by him without prior notice thereof being given to, and accepted for filing by the Toronto Stock Exchange.

(12) A letter (to be known as a letter of Committal) setting out a short summary of any underwriting and option agreement relating to shares of a listed company and signed on behalf of the company and the underwriter, will be accepted as sufficient initial notice of such agreement for the purpose of establishing price, but shall be followed within a maximum period of seven days, by the usual completed filing statement.

(13) A filing statement may be accepted for filing by the permanent staff of the Exchange, providing the terms of the material change notice fall within the terms of policy laid down by the Filing Statement Committee and the Board of Governors. If the filing statement is not accepted for filing, the applicant company may appeal the decision to the Filing Statement Committee.

(14) The permanent staff of the Exchange is empowered to decide what is " material " with respect to a material change or a material fact and is empowered to decide whether or not a filing statement, a short form amending filing statement or a letter notice is required.

(15) In no event shall an underwriting and option agreement be proceeded with by a listed company until notice of the said transaction has been accepted for filing by the Exchange.

**RULING No. 49****MATERIAL CHANGES IN LISTED COMPANIES**

Every company whose shares are posted for trading shall give prompt notice to the Exchange of each proposed material change in the business or affairs of the company. The Board of Governors shall have the right to either accept or not accept the notice for filing and in case of such non-acceptance the proposal shall not be proceeded with, otherwise the shares of the company shall be removed from the trading list. If the notice is accepted for filing, the Board of Governors shall give prompt notice thereof to each member of the Exchange and may give notice thereof to the press.

Without in any way limiting the generality of the foregoing, the following shall be considered material changes in the business or affairs of a company:

1. A change in the nature of the business of the company.
2. A change in the Board of Directors or the principal officers of the company.
3. A change, to the knowledge of the company, in the beneficial or registered share ownership of the company which is sufficient to materially affect control.
4. The acquisition or disposition by the company, in one transaction or in a series of similar transactions, of any mining or oil property or interest, or of shares or other securities in another company, at a price in excess of \$25,000, payable otherwise than in shares of the company.
5. The entering into by the company of any management contract.

The above provisions shall not apply to a company which is exempted from the provisions of this Ruling by the Board of Governors.



*from*  
*T.S.E By-Laws, No 11.*

Examples.

SEC. 3. Without in any way limiting the generality of the foregoing, the following shall be deemed conduct unbecoming a member, inconsistent with just and equitable principles of trade and detrimental to the interests of the Exchange: (a) making a fictitious transaction or giving or knowingly accepting an order involving no change of ownership of the shares or securities in question; (b) misleading or attempting to mislead the Board of Governors or any Committee on any material point; (c) making purchases or sales of securities or offers to purchase or sell securities for the purpose or with the effect of unduly disturbing the normal position of the market, and creating an abnormal market condition in which market prices do not fairly reflect current values, or assisting in making any such purchases or sales or offers to purchase or sell with knowledge of the purpose thereof, or with such knowledge being a party to or assisting in carrying out any plan or scheme for the making of such purchases or sales or offers to purchase or sell; (d) bucketing; (e) indiscriminate or improper solicitation of orders either by telephone or otherwise; (f) high pressure or other salesmanship of a character considered undesirable; (g) violation of any Statute applicable to the sale of securities; (h) selling or attempting to sell a prospective dividend on a stock; (i) giving an order to another member, member firm or member corporation to buy or sell a security from or to the giver or his member firm or member corporation or knowingly accepting any such order; (j) rebating commissions or making directly or indirectly any allowance contrary to these By-laws.





"UNETHICAL CONDUCT"

For the purposes of By-Law 26, "unethical conduct" shall include any act, omission, conduct, manner of doing business or negotiation which in the opinion of the Floor Procedure Committee is not in the public interest or in the interest of the Exchange, and "member" shall include a member, member firm and member corporation. Nothing contained in this by-law shall in any way limit or restrict the authority of the Board of Governors under the by-laws of the Exchange and, in particular but without limiting the foregoing, a penalty imposed by the Floor Procedure Committee on an attorney or clerk shall not preclude the Board of Governors from also imposing a penalty upon the member concerned.

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Without in any way limiting the scope of the foregoing, the following shall be regarded as "unethical conduct" by the Floor Procedure Committee:

1. Any course of conduct or business which has the effect of deceiving the public or the purchaser or the vendor of any security as to the nature of any transaction or as to price or value of such security.
2. Creating or attempting to create a false or misleading appearance of active public trading in a security.
3. Entering into or attempting to enter into any scheme or arrangement to sell and repurchase a security or to dominate the market in a security.
4. Causing the last sale for the day in a security to be higher than warranted by the prevailing circumstances.
5. Using or attempting to use any manipulative or deceptive scheme, device or contrivance to influence the market price of a security.
6. Making a fictitious transaction in a security or knowingly giving or accepting an order involving no change of ownership of a security.
7. Conduct of such a nature as to bring the securities business, the Exchange or a member firm or member corporation into disrepute.



## THE TORONTO STOCK EXCHANGE

Listed Stocks at December 31, 1961

## By Industry

<u>Industry</u>	<u>Number of Companies</u>	<u>Total Issues</u>	<u>Total Shares Outstanding</u>	<u>Market Value</u>
Agriculture	9	15	18,440,566	307,532,218
Amusement	3	5	6,229,178	52,629,337
Construction and Steel	57	75	74,880,311	2,051,101,264
Finance	43	62	50,421,897	2,934,884,586
Food	37	59	50,351,117	975,141,524
Liquor	13	18	37,989,331	1,508,456,120
Manufacturing	69	97	112,758,677	2,256,898,339
Miscellaneous Industrial	48	63	40,250,055	379,961,940
Motor	5	7	4,345,237	354,324,148
Oil Refining	23	37	94,906,326	3,355,450,536
Paper	18	24	56,929,909	1,467,995,282
Retail Stores	20	31	11,771,914	243,224,009
Textile	22	38	8,524,343	142,817,691
Utility	37	62	124,463,364	3,291,576,849
	<u>404</u>	<u>594</u>	<u>692,262,225</u>	<u>19,321,993,843</u>
Base Metals	153	153	647,036,319	4,871,566,728
Western Oils	99	104	445,905,836	1,380,507,316
Producing Golds	65	65	229,353,399	700,861,063
Prospecting Golds	126	126	458,544,847	97,993,918
Holding Mines	42	42	145,112,662	453,690,582
	<u>485</u>	<u>490</u>	<u>1,925,953,063</u>	<u>7,504,619,607</u>
Total Canadian Companies	889	1,084	2,618,215,288	26,826,613,450
Foreign Companies	<u>32</u>	<u>33</u>	<u>635,492,356</u>	<u>34,246,390,386</u>
Total	<u>921</u>	<u>1,117</u>	<u>3,253,707,644</u>	<u>61,073,003,836</u>



## LISTING AGREEMENT

APP. 29

Date.....

KNOW ALL MEN BY THESE PRESENTS that, in consideration of the granting by the Toronto Stock Exchange (hereinafter referred to as the "Exchange"), of our application for listing, we agree with the Exchange as follows:—

1. To pay the annual sustaining listing fee of \$100.00 a year if it be applicable.
2. To notify the Exchange promptly regarding any change in the general character or nature of our business.
3. To notify the Exchange promptly in the event of the issuance or creation, in any form or manner, of any rights to subscribe to, or to be allotted, our securities, or of any other rights or benefits pertaining to ownership of our securities, and to afford the holders of our listed securities a proper period within which to record their interests and to exercise their rights, and to issue all such rights in form approved by the Exchange, and to make the same transferable, payable and deliverable in Toronto.
4. To notify the Exchange promptly of the issue of any bonds, debentures, additional shares or other securities and of any option, underwriting, sales, pooling or escrow agreement entered into by us or with our knowledge with respect to any issued or unissued shares of our capital stock.
5. To notify the Exchange at least seven days in advance of the closing and opening dates of our transfer books for any and all purposes, and in connection with the declaration of dividends or rights to give notice thereof to the Exchange at least seven days before the record date.
6. To publish at least once in each year, and to forward to stockholders at least seven days in advance of the annual meeting, an annual report in the customary form containing a record of the company's activities during the period covered and a balance sheet and profit and loss (or income and expenditure) statement.
7. To make application to the Exchange for the listing of additional shares which are hereafter issued sufficiently prior to the issuance thereof to permit action being taken in due course upon the application.
8. To make application to the Exchange for the listing of additional shares which have been duly authorized to be issued for a specific purpose within a stated period of time giving the related terms and conditions.
9. To forward to the Exchange a copy of all notices and reports sent to shareholders and to file with the Exchange a certified copy of any supplementary letters patent, amendments to certificate of incorporation, etc., as soon as the same have been issued or become effective.
10. To maintain in Toronto, in accordance with the rules of the Exchange, a transfer office or agency and a registry office or agency where all listed securities shall be directly transferable and registerable and for the transfer and registration of which no fee will be charged (other than customary government stock transfer taxes).
11. To furnish to the Exchange, at any time upon demand, such information concerning the company as may reasonably be required.
12. To be bound by and observe all existing by-laws and rulings of the Exchange which apply to companies the securities of which are posted for trading on the board and all amendments and additions which may hereafter be made thereto.
13. The Exchange shall have the right, at any time, to suspend trading in any listed securities of the company or to remove such securities from the trading list, in either case without notice and without giving any reason for such action.

(Name of Company)

(Corporate Seal)





## LISTING FEES

### ORIGINAL LISTINGS

The listing charges comprise a basic fee and an annual sustaining fee as set out below:

#### BASIC FEE GENERAL LISTINGS

For each class of stock to be listed (preferred share issues which rank *pari passu* being regarded as the same class of stock)-

One-half cent ( $\frac{1}{2}\text{¢}$ ) a share for the first 500,000 shares or any part thereof of each class of stock to be listed, one-fifth cent ( $\frac{1}{5}\text{¢}$ ) a share for the next 500,000 shares or any part thereof, one-tenth cent ( $\frac{1}{10}\text{¢}$ ) a share for the next 1,000,000 shares or any part thereof and one-twenty-fifth cent ( $\frac{1}{25}\text{¢}$ ) a share thereafter.

Minimum fee \$2,000.00. Maximum fee \$15,000.00.

(Provided that when less than 5% of the shares to be listed are held in Canada the maximum fee shall be \$10,000.00 and when the shares of a Canadian subsidiary of a foreign company are approved for listing subsequent to the listing of the shares of the foreign company, a credit of up to 50% of the original listing fee paid by such foreign company shall be allowed to the Canadian subsidiary.)

(Also provided that the fee for listing up to 400,000 Canadian depositary shares of a foreign company shall be \$2,000 if a transfer agent and registrar is appointed in the city of Toronto and no fee is charged on stock transfers other than governmental stock transfer taxes.)

#### LISTINGS OF MINING, OIL OR NATURAL GAS PROSPECTS

For each class of stock to be listed:

(a) When the market value as determined by the Board of Governors is not more than \$1.00 a share, \$200.00 for each 500,000 shares or part thereof.

(b) When the market value as determined by the Board of Governors is more than \$1.00 a share, \$200.00 for each \$500,000.00 of market value or part thereof.

Minimum fee \$2,000.00. Maximum fee \$15,000.00.

#### ANNUAL SUSTAINING FEE

The annual sustaining fee is \$100.00, payable in February of each year except during the calendar year in which the shares are first listed.

The annual sustaining fee applies to original listings and to substitutional listings resulting from consolidations of already listed shares (see item (b) under the heading "Substitutional Listings").

#### ADDITIONAL LISTINGS

Maximum Fee: \$15,000.00

Minimum Fee: General List \$100.00

Mining and Oil List \$200.00

In cases where, after an initial listing, additional shares of stock or securities arising out of stock are to be listed, the basic fee shall be charged as though the additional shares were being listed alone.

Provided that when a company on its original listing, paid the special maximum fee of \$10,000 specified when less than 5% of the shares are held in Canada, the fee for listing additional shares of which less than 5% are held in Canada shall be the basic fee as set out above less 33 1/3% until a total of \$15,000 in fees has been paid when one-twenty-fifth cent ( $\frac{1}{25}\text{¢}$ ) shall be charged with a minimum fee of \$100.

### SUBSTITUTIONAL LISTINGS

Maximum Fee: \$15,000.00

Minimum Fee items a, c, d, e, f and g \$100.00

Minimum Fee item b \$1,000.00

- (a) When, after an initial listing, a change is made from par value to no par value or vice versa, or in the amount of the par value, or shares are split, subdivided or otherwise changed (except as set out in items (b) and (c)), involving the cessation of trading in the shares previously listed, the fee for listing all substituted shares in excess of the number of shares to be removed from the list shall be the basic fee. Provided that when a company on its original listing paid the special maximum fee of \$10,000.00 specified when less than 5% of the shares are held in Canada, the fee for listing substituted shares of which less than 5% are held in Canada shall be the fee set out above less 33 1/3%.
- (b) When, after an initial listing, the name of a corporation is changed and the capitalization is reduced so as to result in a consolidation of shares involving a cessation of trading in the shares previously listed, the fee for listing such number of the substituted shares as is not in excess of the number of consolidated shares which will be issued and outstanding as a result of the consolidation shall be one-fourth of the basic fee and for all substituted shares in addition to such number the basic fee shall be charged, figured as though the additional shares were being listed alone. (Note: An annual sustaining fee is also provided in such instances as set out in the item "Annual Sustaining Fee".)
- (c) When there is a change in the classification or name of a stock, without alteration of any preference which it may bear, and without change in the number of shares, the fee shall be \$300.00, but if the change involves any alteration in the preference, the basic fee shall be charged.
- (d) When there is a change in the nature of an extension of a time limit, as in the case of an extended voting trust, without any alteration in the number of shares, one-fourth of the basic fee shall be charged.
- (e) When voting trust certificates or stock trust certificates are issued in exchange for listed stock of the same company, one-fourth of the basic fee shall be charged.
- (f) When a voting trust or a stock trust terminates and the stock replacing it is identical with formerly listed stock for which the voting or stock trust certificates were issued, there shall be no fee on the number of shares formerly listed, but if the stock replacing the certificates was not formerly listed, one-fourth of the basic fee shall be charged, and in either instance the basic fee shall be charged for all additional shares, figured as though the additional shares were being listed alone.
- (g) When the name of a Corporation is changed without reorganization, merger or other change in corporate structure, the fee shall be \$300.00

#### BONDS AND DEBENTURES

The basic fee for listing bonds and debentures shall be as follows:

\$100.00 for each \$1,000,000 or any part thereof of principal amount. Minimum fee, \$2,000.00.

#### FILING FEE ON COMPANY NOTICES ACCEPTED UNDER RULING NO. 49 AND BY-LAW NO. 62

A fee of \$200 shall be paid to the Exchange by each listed company when a notice of a proposed material change in the business or affairs of the company is accepted for filing under the provisions of Ruling No. 49 or when a notice of a proposed option, underwriting, sale or issue of treasury shares is accepted for filing under the provisions of By-Law No. 62.



*Appx #31*

# TORONTO STOCK EXCHANGE



## CIRCULAR No. 6

**REGULATIONS GOVERNING COMPANIES  
WHOSE SHARES ARE POSTED  
FOR TRADING**

# REGULATIONS GOVERNING COMPANIES WHOSE SHARES ARE POSTED FOR TRADING

## BY-LAW No. 62 - OPTIONS, UNDERWRITINGS AND SALES AGREEMENTS ON TREASURY SHARES OF LISTED COMPANIES

Every Company whose shares are posted for trading shall give immediate notice to the Exchange of each proposed option, underwriting, sale or issue of treasury shares or of shares held for the benefit of the treasury or to be created for the treasury and shall furnish promptly to the Exchange a copy of each option, underwriting or sales agreement entered into with respect to any such shares. The Board of Governors shall have the right to either accept or not accept the notice for filing and in case of such non-acceptance the proposal shall not be proceeded with otherwise the shares of the Company shall be removed from the trading list. If the notice is accepted for filing the Board of Governors shall give prompt notice thereof to each member of the Exchange and may give notice thereof to the press.

Every such Company which has made such proposal or entered into such agreement shall give immediate notice to the Exchange of each payment or default thereunder and of each proposed extension, assignment or other material change therein and no such proposed extension, assignment or other material change shall be proceeded with unless notice thereof is accepted for filing by the Board.

## BY-LAW No. 63 - ANNUAL REPORTS

Every Company whose shares are posted for trading shall forward yearly to each of its shareholders and shall submit to the Exchange an annual report containing a financial statement (including a balance sheet and a profit and loss or revenue and expenditure account) in the customary form, reported upon by a chartered, public, or certified accountant and approved by the Board of directors and the approval evidenced by the signatures at the foot of the balance sheet of two or more directors authorized to signify such approval, and also containing a record of its activities, if any, during the period covered, such report to be provided within six months from the close of the fiscal year or other period covered therein. The shares of a company which fails to forward and submit such report shall be removed from the trading list, provided, however, that the Board of Governors may, in its discretion, relieve any company or companies from this penalty.

Every company whose voting trust certificates are posted for trading shall forward yearly to each of its voting trust certificate holders and shall submit to the Exchange an annual report in the above form. The voting trust certificates of a company which in any calendar year fails to forward and submit such report shall be removed from the trading list, provided, however, that the Board of Governors, may in its discretion, relieve any company or companies from this penalty.

The Board of Governors may at any time require a Company to submit to the Board a financial statement in the customary form and to submit such further particulars of its activities as the Board shall prescribe.



## BY-LAW No. 64 - MORTGAGES OF CERTAIN LISTED COMPANIES

Every Company whose principal business is mining or the production of oil or natural gas and whose shares are posted for trading shall give prompt notice to the Exchange of any proposal to create a mortgage, hypothecation, or charge upon security of any part of its properties or equipment. The Board of Governors shall have the right to disapprove the terms of any proposal, and in case of such disapproval, it shall not be proceeded with by the Company, otherwise the shares shall be removed from the trading list. If the proposal is not disapproved the Board of Governors shall give prompt notice of the terms thereof to each member of the Exchange and may give notice thereof to the press.

## BY-LAW No. 65 - NOTICE OF DIVIDENDS AND RIGHTS

Every Company whose shares are posted for trading on the board shall give prompt notice to its shareholders and to the Exchange of any action with respect to dividends or allotment of rights for subscription to shares or other securities, and shall give to the Exchange at least seven days' notice in advance of the closing of the transfer books or the taking of a record of shareholders for the purpose of ascertaining who are entitled to any such dividends or rights or for any other purpose.

Every Company whose shares are posted for trading on the board shall give adequate time for European shareholders to exercise any such rights.

Rights issued by a Company whose shares are posted for trading on the board shall be assignable, and the customary form of assignment shall appear on the warrant or other certificate.

## BY-LAW No. 65A - NOTICE OF CHANGE IN PROVISIONS RELATING TO WARRANTS OR RIGHTS.

Every company whose securities are posted for trading shall give immediate notice to the Exchange of any proposed change in the provisions relating to warrants or rights to subscribe for its shares. The Board of Governors shall have the right to disapprove the terms of any proposal and, in case of such disapproval, it shall not be proceeded with by the company, otherwise the shares may be removed from the trading list.

## BY-LAW No. 66 - ANNUAL QUESTIONNAIRE

Every Company whose shares are posted for trading shall complete and file an annual questionnaire in the form prescribed by the Board of Governors. The shares of a Company which fails to complete and file the questionnaire within such period as shall be prescribed by the Board shall be removed from the trading list, provided, however, that the Board may, in its discretion, relieve any company or companies from this penalty.

## RULING No. 13 - TRANSFER FACILITIES

Every Company whose shares are posted for trading shall have a Trust Company in the City of Toronto act as its Transfer Agent and shall provide transfer facilities thereat.

RULING No. 40 - FILING FEE ON COMPANY NOTICES  
ACCEPTED UNDER RULING No. 49 AND BY-LAW No. 62

A fee of \$200 shall be paid to the Exchange by each listed company when a notice of a proposed material change in the business or affairs of the company is accepted for filing under the provisions of Ruling No. 49 or when a notice of a proposed option, underwriting, sale or issue of treasury shares is accepted for filing under the provisions of By-Law No. 62.

RULING No. 49 - MATERIAL CHANGES IN LISTED COMPANIES

Every company whose shares are posted for trading shall give prompt notice to the Exchange of each proposed material change in the business or affairs of the company. The Board of Governors shall have the right to either accept or not accept the notice for filing and in case of such non-acceptance the proposal shall not be proceeded with, otherwise the shares of the company shall be removed from the trading list. If the notice is accepted for filing, the Board of Governors shall give prompt notice thereof to each member of the Exchange and may give notice thereof to the press.

Without in any way limiting the generality of the foregoing, the following shall be considered material changes in the business or affairs of a company:

1. A change in the nature of the business of the company.
2. A change in the Board of Directors or the principal officers of the company.
3. A change, to the knowledge of the company, in the beneficial or registered share ownership of the company which is sufficient to materially effect control.
4. The acquisition or disposition by the company, in one transaction or in a series of similar transactions, of any mining or oil property or interest, or of shares or other securities in another company, at a price in excess of \$25,000., payable otherwise than in shares of the company.
5. The entering into by the company of any management contract.

The above provisions shall not apply to a company which is exempted from the provisions of this Ruling by the Board of Governors.

COPIES OF ALL NOTICES AND REPORTS FORWARDED TO SHAREHOLDERS  
ARE TO BE FILED WITH THE EXCHANGE

TORONTO, May 13, 1964



## TORONTO STOCK EXCHANGE

234 BAY STREET

TORONTO, CANADA

NOVEMBER 4, 1959

The Toronto Stock Exchange, recognizing and sympathizing with the need for greater and more frequent publicity in regard to the affairs of the companies whose shares are listed on its board, is seeking to secure, wherever possible, the publication of quarterly statements of earnings. Your corporation is among those which apparently do not publish regularly a quarterly statement of earnings. We are taking the liberty of approaching you in this manner to seek your co-operation.

We are constantly impressed with the insistency and character of the interest shown by shareholders and investors in this question. We believe that by making information about the affairs of your company more frequently available to your shareholders by publication in the public press you would be rendering a real service to yourselves and the business world at large.

We would appreciate an expression of your willingness to join the large number of Canadian corporations which are presently giving publicity to their affairs on a regular quarterly basis. If you feel that for any reason you cannot accede to this request, would you be kind enough to communicate with the Board of Governors of the Toronto Stock Exchange, in order that we may have the benefit of analyzing your objections.

Yours very truly,



CHAIRMAN of the  
BOARD OF GOVERNORS.



\*\* RATES OF COMMISSION

(Subject to the minimum commission amounts set out below)

On Shares Selling		Per Share
Under \$	.05	3/20¢ or \$1.50 per M.
At	.05 and under \$	3/10 or 3.00 per M.
"	.10 " "	1/2 or 5.00 per M.
"	.25 " "	3/4 or 7.50 per M.
"	.50 " "	.01 or 10.00 per M.
"	.75 " "	.01½ or 15.00 per M.
"	1.00 " "	.02½ or 2.50 per C.
"	2.00 " "	.03½ or 4.50 per C.
"	3.00 " "	.07 or 7.00 per C.
"	4.00 " "	.10 or 10.00 per C.
"	5.00 " "	.15 or 15.00 per C.
"	7.50 " "	.20 or 20.00 per C.
"	10.00 " "	.25 or 25.00 per C.
"	15.00 " "	.30 or 30.00 per C.
"	25.00 " "	.35 or 35.00 per C.
"	40.00 " "	.40 or 40.00 per C.
"	60.00 " "	.45 or 45.00 per C.
"	80.00 " "	.50 or 50.00 per C.
"	100.00 " "	.55 or 55.00 per C.
"	110.00 " "	.60 or 60.00 per C.
"	120.00 and over	½ of 1%

RIGHTS AND WARRANTS

The commission on rights and warrants shall be the same rate as applies to corresponding securities selling at equivalent prices.

MINIMUM COMMISSION

When amount involved under \$10.00.

†When the total amount involved in a transaction is less than \$10.00, the charging of any commission shall be at the member's discretion.

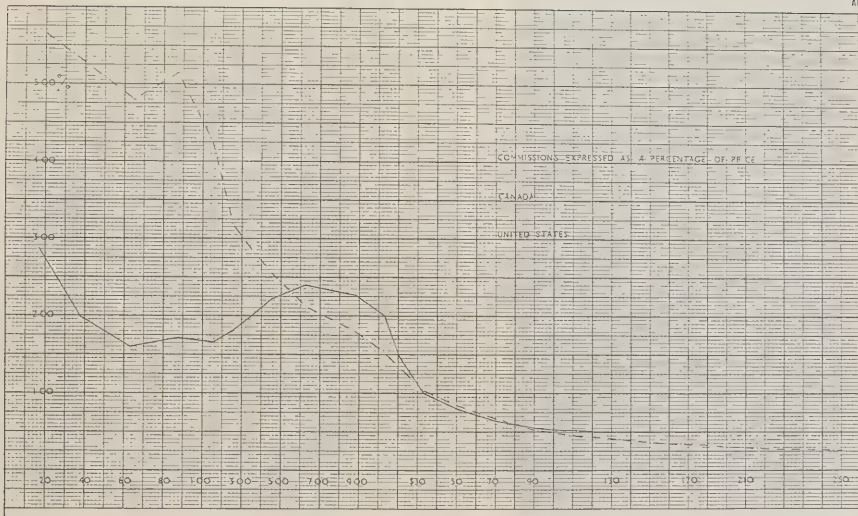
When amount \$10.00 and up to \$49.99.

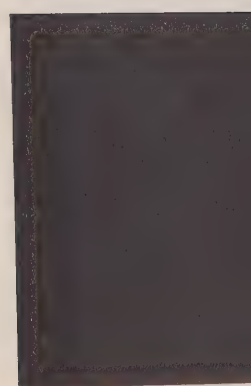
\*\*When the total amount involved is \$10.00 or more but less than \$50.00, the commission shall be discretionary except that a minimum of \$2.00 shall be charged—except in connection with a transaction in rights, warrants or fractional shares when the minimum commission shall be \$1.00.

When amount \$50.00 and over—Rights, Warrants and Fractions.

††When the total amount is \$50.00 or more, the minimum commission shall be \$5.00 except in connection with a transaction in rights, warrants or fractional shares when the minimum commission shall be \$1.00.









## THE TORONTO STOCK EXCHANGE

Member Organizations  
Offices, Partners or Directors, Customers' Men  
and Floor Traders

<u>Year End</u>	<u>Number of Member Organizations</u>	<u>Number of Offices (a)</u>	<u>Number of Partners or Directors (a)</u>	<u>Number of Customers' Men</u>	<u>Number of Floor Traders</u>
1937	94	167	288	523	257
1938	91	162	285	481	249
1939	91	155	280	395	184
1940	90	142	276	283	104
1941	89	136	239	221	74
1942	86	128	220	161	56
1943	87	132	235	182	69
1944	90	144	240	212	87
1945	91	151	263	260	159
1946	91	159	272	309	200
1947	90	163	296	309	194
1948	89	169	306	302	168
1949	92	176	323	277	162
1950	89	183	341	276	187
1951	95	203	375	333	227
1952	98	222	411	430	231
1953	96	239	412	451	259
1954	100	252	443	495	276
1955	98	264	481	568	315
1956	101	287	537	677	350
1957	99	301	566	749	357
1958	100	310	576	767	361
1959	101	310	640	738	357
1960	99	313	639	723	336
1961	98	321	665	699	366
1962	100	330(b)	690(b)	700(b)	300(b)

(a) For those firms holding their principal membership in a foreign Stock Exchange non Canadian branches, and non Canadian resident partners or directors have not been included.

(b) Approximate



# How to get a SECOND INCOME

If you have funds over and above your needs for living expenses and emergencies you are probably in a good position to start thinking about investing in common shares. There are a number of questions to ask yourself. Which is more important to you—income . . . growth . . . or both?

Possibly you want to add to your income. You should then consider the record of common shares that have paid dividends regularly for a number of years—226 Canadian companies traded on The Toronto Stock Exchange have paid dividends every year for more than 10 years—25 companies for over 50 years.

Or, you may be looking for shares which have a good possibility of growing in value over the years. Certainly, there is no better way to share in the growth and prosperity of Canada than by owning a share in Canada's industries.

To get the information you need, consult a member of The Toronto Stock Exchange. Just remember this—if you want up-to-date information about a company's profit and dividend record . . . an expert evaluation of its prospects . . . practical advice about long-range investment goals . . . logical suggestions on the creation of a "second income" for yourself—you can get all this from a member of The Toronto Stock Exchange.

## Invest in Canada's future—and your own

Get all the facts—so that your money will work for you! Get your free copy of "What You Should Know About The Toronto Stock Exchange" and a sample copy of the TSE Digest.

### THE TORONTO STOCK EXCHANGE

234 BAY STREET, TORONTO 1, ONTARIO

Please send me, free, a copy of:

"What you should know about The Toronto Stock Exchange" ☐

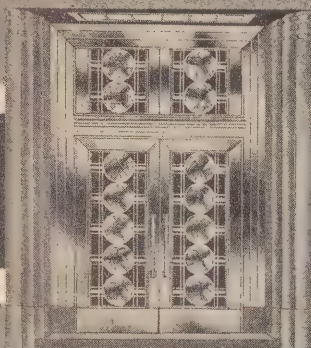
A sample copy of the TSE Digest ☐

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Address



*Appx # 43*



234 BAY STREET

TELEPHONE 363-6121



**BY-LAWS AND RULINGS  
OF  
THE BOARD OF GOVERNORS  
ON  
TRADING**



**CIRCULAR No. 3**

**ISSUED BY AUTHORITY OF THE BOARD OF GOVERNORS**



# THE TORONTO STOCK EXCHANGE

## BY-LAWS AND RULINGS OF THE BOARD OF GOVERNORS ON TRADING

### BY-LAW No. 12

#### ATTORNEYS

Number of

SEC. 1. (a) A member who himself trades on the floor shall be entitled to have up to four attorneys as his trading representatives at Sessions of the Exchange.

(b) A member who himself does not trade on the floor shall be entitled to have up to five such attorneys.

Representatives  
of same firm  
or corporation  
not to trade with  
one another.

SEC. 2. Attorneys who represent the same member, member firm or member corporation shall not trade with each other nor with any member representing the member firm or member corporation and shall not compete against each other nor with any member representing the member firm or member corporation in the making of bids or offers at the same time in the same security.

Attorney fees.

SEC. 3. A member shall pay such fees for attorney trading privileges as the Board of Governors shall from time to time prescribe.

Qualifications.

SEC. 4. An attorney shall be either a partner of a member or a co-director in his member corporation or a person in his regular employ or the employ of his member firm or member corporation and shall be a British subject over the age of twenty-one years, and shall have had at least three months' experience on the Exchange floor as a clerk, attorney or member provided, however, that the Board of Governors may waive all or any part of the three months' period.

Appointment of  
Attorneys.

SEC. 5. A member desiring to have an attorney act for him at Sessions of the Exchange shall cause application to be made by the proposed attorney on the prescribed form for approval of the appointment. Applications shall be considered by the Floor Procedure Committee which in its discretion may give or withhold approval. No person shall act as attorney for a member at Sessions of the Exchange unless and until his appointment has been so approved and an attorney whose appointment has been so approved may continue to act only so long as the approval remains unrevoked. If an attorney is expelled from the trading floor his appointment shall automatically be deemed to be revoked and if he is suspended from the trading floor he shall not act as an attorney during the period of suspension.

Annual review  
of approvals.

SEC. 6. The approval of an appointment of an attorney constitutes only a revocable privilege and all approvals howsoever given shall be reviewed by the Floor Procedure Committee as at the end of each calendar year and may be reviewed at other times.

Standing of  
Attorneys.

SEC. 7. Attorneys shall be bound equally with members to observe the by-laws, rules and regulations of the Corporation, but they shall have no voice in the affairs of the Corporation.

Form of Power  
of Attorney.

SEC. 8. The power of attorney to be executed by a member shall provide that the member will be as fully responsible for all trades, contracts, dealings and other acts made and done by the attorney as if the same were made and done by himself.

Revocation of  
attorney's  
authority.

SEC. 9. A member may, at any time, revoke the authority given to his attorney, by giving notice thereof in writing to the Secretary, who shall post such notice on the notice board.

Floor Procedure  
Committee may  
revoke approval.

SEC. 10. The continuance of the approval of an attorney shall be subject to his continued good conduct and to his observance of the by-laws, rules and regulations of the Exchange and without in any way limiting the powers of the Floor Procedure Committee otherwise conferred upon it by the by-laws of the Exchange, such Committee may at any time revoke the approval of the appointment of an attorney howsoever previously given.

If fails of  
approval.

SEC. 11. A person who fails of approval as an attorney shall not come up again for approval within a period of three months thereafter.

SEC. 12. Repealed.



# SESSIONS OF THE EXCHANGE

SEC. 1. Meetings of the members, to be called Sessions of the Exchange, shall be held in the Exchange Rooms of the Corporation every day from 10.00 o'clock in the morning until 3.30 o'clock in the afternoon, except on Saturdays, Sundays and public holidays, for the purchase and sale of securities and for other transactions between members.

SEC. 2. The Board of Governors may by resolution close the Exchange for any Session or Sessions and may reduce, extend or otherwise alter the time of any Session or Sessions. Such action may be taken on their own initiative or as a result of a petition from members, but any such petition shall be signed by at least ten members before receiving consideration.

SEC. 2(a) In the event of an emergency involving the closing of other exchanges in Canada or elsewhere, the Chairman or in his absence the Vice-Chairman or in the absence of both of them, the President may from time to time suspend trading for any Session or Sessions and may reduce, extend or otherwise alter the time of any Session or Sessions despite the provisions of Sec. 1.

SEC. 3. The following shall be the order of procedure at Sessions of the Exchange: on the sounding of the opening signal, the Session shall be open for business and shall continue open for business until the sounding of the closing signal, after which no further business shall be transacted.

SEC. 4. A Presiding Officer of the trading floor who need not be a member of the Board of Governors shall be appointed by the Board and shall be its representative on the floor. The Presiding Officer shall act as a liaison officer between the Board and the Floor Procedure Committee.

SEC. 5(a) Sessions of the Exchange shall be governed by a Floor Procedure Committee of three or more members, any two of whom shall constitute a quorum, which shall be appointed by the Board of Governors and one of whom shall be appointed by the Board as chairman. The Committee shall have jurisdiction with respect to trading and conduct on the floor, floor discipline and other like matters. In the absence of the chairman, the Committee from time to time may elect its own chairman for the meeting and settle its own procedures.

(b) The Floor Procedure Committee shall have authority to make such decisions as may be required at any time to assist in the orderly opening of trading in any security and to interrupt trading in any security at any time in order to assist in re-establishing orderly trading.

SEC. 6. A decision of the Floor Procedure Committee shall be final and binding subject to a right of appeal therefrom to the Board of Governors except on any decision given under the provisions of Section 5 of By-law 27.

SEC. 7. The Floor Procedure Committee shall have power to make Floor Trading Regulations which shall be subject to approval by the Board of Governors.

SEC. 8. Any member of the Floor Procedure Committee, and any member or attorney to whom authority is delegated by the Floor Procedure Committee to act as a Floor Governor, shall have power to settle disputes and give interpretations in order to carry out effectively the intent and purpose of the Floor Trading Regulations made under the provisions of Section 7 of this By-law.

SEC. 9. (a) If and whenever the Floor Procedure Committee shall determine in connection with trading on the trading floor that any member has been guilty of unethical conduct or of a violation of the Floor Trading Regulations, it shall report the same to the Board of Governors with its recommendations.

(b) If and whenever the Floor Procedure Committee shall determine in connection with trading on the trading floor that any attorney or clerk has been guilty of unethical conduct or of a violation of the Floor Trading Regulations, it may impose upon him one or more of the following penalties:

1. A fine not exceeding \$500 which shall be paid by the individual upon whom such fine is imposed;
2. Suspension from the trading floor for such period or periods and upon such terms and conditions, if any, as the Committee may determine;
3. Expulsion from the trading floor;

and shall report the same to the Board of Governors.

Investigations  
by Committee.

SEC. 10. The Floor Procedure Committee may for the purposes of this by-law make such investigations, including the taking of such evidence, as it may consider required or advisable in the circumstances.

"Unethical  
conduct".

For the purposes of this by-law "unethical conduct" shall include any act, omission, conduct, manner of doing business or negotiation, which in the opinion of the Floor Procedure Committee is not in the public interest or in the interest of the Exchange, and "member" shall include a member, member firm and member corporation.

Authority of  
Board of  
Governors  
unchanged.

Nothing contained in this by-law shall in any way limit or restrict the authority of the Board of Governors under the by-laws of the Exchange and in particular, but without limiting the foregoing, a penalty imposed by the Floor Procedure Committee on an attorney or clerk shall not preclude the Board of Governors from also imposing a penalty upon the member concerned.

## BY-LAW No. 27

### TRADING—GENERAL

Trading in  
unauthorized  
issues is  
prohibited.

SEC. 1. Trading or the making of quotations at a Session of the Exchange in any stock, share, bond, debenture or other security which has not been approved for trading by the Board of Governors and posted for trading in the Listed Department or on the Curb is prohibited.

Trades in  
unauthorized  
issues not  
recognized.

SEC. 2. Any purported transaction in a stock, share, bond, debenture or other security which has not been so approved and posted shall have no standing whatsoever under the By-laws.

Unreasonable  
quotations  
not allowed.

SEC. 3. At the close of any Session of the Exchange if the buying and selling quotations are at the same price, or are more than five per cent apart the Floor Procedure Committee may refuse to allow either of them, or any of them, to be recorded, and may also refuse to allow any unreasonable quotations at any time to be recorded.

Unreasonable  
transaction  
may be  
disallowed.

During a Session of the Exchange or at the close thereof the Floor Procedure Committee may disallow any purported transaction which they deem unreasonable, and such transaction shall thereupon have no standing whatsoever under the By-laws and shall be expunged from the records.

Trading  
restricted  
to areas.

SEC. 4. Trading or the making of quotations in any stock, share, bond, debenture or other security must take place adjacent to the face of the post upon which the security is posted for trading.

Disputes.  
How settled.

SEC. 5. In case there are rival claimants for any transaction and an immediate settlement is not made by agreement between the claimants, there must be no discussion as to the respective claims, but the Floor Procedure Committee or a Floor Governor shall decide the matter or put the question to a vote of members and attorneys present or direct the toss of a coin and there shall be no appeal from such decision, vote or toss.

Tossing.

Meaning of  
"sold".

SEC. 6. In concluding any transaction about which there is any dispute, the word "sold" shall have priority over any other form of acceptance in case of a purchase or sale.

Bids and Offers  
binding.

SEC. 7. All bids made and accepted and all offers made and accepted in accordance with these By-laws shall be binding and all contracts thereby affected and all other Exchange contracts shall be subject to the exercise by the Board of Governors of the powers in respect thereto vested in such Board.

Stop order.

SEC. 8. A stop order to buy stock or bonds becomes a market order when a quotation lot or more of the stock or bonds sells on this Exchange at or above the stop price. A stop order to sell stock or bonds becomes a market order when a quotation lot or more of the stock or bonds sells on this Exchange at or below the stop price.

Jitney  
"give ups".

SEC. 9. A member "giving up" the name of another member, member firm or member corporation on a transaction shall initial the floor slip, either personally or through an attorney, and shall be personally bound to carry out the transaction if the member, member firm or member corporation whose name is "given up" fails to accept or carry out the same.

SEC. 9a. A transaction in which a member or a member firm or a member corporation is specified on the floor slip as the buyer or seller, and in which the same member "gives up" the name of another member, member firm or member corporation as the other principal, shall be handled in the same manner as a put-through.

SEC. 9b. A transaction in which the same member "gives up" the name of both the buyer and seller shall be handled in the same manner as a put-through.

SEC. 10. Representatives of the same member, member firm or member corporation may not trade at the same time in the same stock.

SEC. 11. The minimum spread between quotations shall be as follows:

Industrial and General Securities:

Selling under \$1.00 per share.....	1c.
Selling at \$1.00 and under \$5.00 per share.....	5c.
Selling at \$5.00 and over.....	12½c.

Mining and Oil Securities:

Selling under 50 cents per share.....	½c.
Selling at 50 cents and under \$3.00.....	1c.
Selling at \$3.00 and under \$10.00.....	5c.
Selling at \$10.00 and over.....	12½c.

Rights and Warrants:

Industrial and General Securities:

Selling under \$1.00.....	1c.
Selling at \$1.00 and under \$10.00.....	5c.
Selling at \$10.00 and over.....	12½c.

Mining and Oil Securities:

The same as on mining shares.

Called Securities:

The minimum spread between quotations on a security which has been called for redemption shall be as follows: Selling under \$10.00—5 cents. Selling at \$10 and over—12½ cents.

The Board of Governors shall have the right to provide a different minimum quotation spread in any special issue or issues.

SEC. 12. Orders for the accounts of customers shall have priority over all other orders executed on the trading floor. A floor trader executing a transaction which is not an order for the account of a customer, whether originating on the trading floor or not, shall not become the established buyer or seller at a given price at any time, save to the extent provided in Sec. 12A. The phrase "orders for the accounts of customers" shall mean and include an order for the account of a customer of any member or of a customer of any affiliated company of a member, but shall not include an order for an account in which a member or a partner, director, officer, shareholder or employee of a member, or of an affiliated company of a member, has an interest direct or indirect, other than an interest in a commission charged, nor an order arising from an arbitrage account. For the purposes of this section and of Section 12B, "member" shall include a member firm and a member corporation.

SEC. 12a. The trader first offering, whether or not for the account of a customer, to buy a board lot at a higher price or to sell a board lot at a lower price than that quoted by another trader shall have the preferential right, while he so declares himself, to buy all shares offered up to ten board lots or to sell all shares wanted up to ten board lots, at the price. Otherwise the floor trader first offering to buy a board lot for the account of a customer at a higher price or to sell a board lot for the account of a customer at a lower price than that quoted by another floor trader shall have the preferential right, while he so declares himself, to buy all shares offered up to ten board lots or to sell all shares wanted up to ten board lots, at the price, and the floor trader having so bought or sold one or more board lots for the account of a customer may revert to and appropriate the position of the last previous buyer or seller of board lots if claim thereto is made immediately, provided that if no transaction so takes place and such bid or offer be withdrawn, then the last previous buyer or seller may re-establish his former position.



Designation  
of orders.

SEC. 12b. An order arising from an arbitrage account or an order for an account in which a member or a partner, director, officer, shareholder or employee of a member, or of an affiliated company of a member, has an interest, direct or indirect, other than an interest in a commission charged, shall be so designated and shall be reported as such to the floor trader or jitney concerned whose duty it shall be to comply with the provisions of Section 12 and 12a of this By-law.

Increasing a  
declaration.

SEC. 13. No trader who has declared the number of shares he will buy or sell shall increase the number by adding thereto a give-up order if there is another buyer or seller at the same price.

Board lots.

SEC. 14. An offer to buy or sell without stating the number of shares embraced therein shall be open to acceptance for such number of shares as the Board of Governors shall, from time to time, specify as a board lot (See Ruling 1).

Bids and Offers  
must be given  
publicity.

SEC. 15. An offer to buy or sell shall have no standing unless it is made with the publicity necessary to make its existence generally known at the time in the immediate active trading area. "Publicity" is understood to mean the making of a bid or offer in a clearly audible voice.

Active openings.

SEC. 16. The above provisions with respect to trading shall not apply to active openings when bids and offers are simultaneous.

Put-throughs.

SEC. 17. A trader having an order to buy and an order to sell the same security at the same price may put-through a transaction (not exceeding ten board lots) with himself at the bid price if he is the established buyer, or at the asked price if he is the established seller, or at any intermediate price, by ringing the bell, announcing the details in a clear voice to the Presiding Officer or his nominee, or if neither be present then to another trader, who shall repeat the details in a clear voice and if the transaction is not interfered with shall initial the floor slip. If the transaction is interfered with the trader desiring to put-through the transaction must take or give, as the case may be, at the option of the interfering trader either the same number of shares or, if such be more than a board lot, any part thereof consisting of one or more board lots, at a quotation spread below or above, as the case may be, the price announced by him, provided there is not another buyer or seller at such price on the floor, in which event such other buyer or seller has first to be satisfied at his quotation.

Interference.

A put-through at any intermediate price does not alter the position of the established buyer or seller on the floor.

Office  
put-through  
prohibited.

An office put-through, other than one pertaining to a transaction mentioned in By-law No. 45, in a stock posted for trading on the Exchange is prohibited.

Where  
put-through  
free of  
interference.

Notwithstanding the foregoing provisions of this Section, a put-through transaction may be executed free of interference where the aggregate value of a transaction is in excess of \$25,000, provided that the price is within the limits of the prevailing quotation for a board lot. If the aggregate value of a transaction is in excess of \$100,000, a put-through transaction may be executed free of interference regardless of the prevailing market quotation. The Floor Procedure Committee may, in its discretion, permit the execution of a put-through transaction for a lesser aggregate amount without regard to price.

Floor  
slips.

SEC. 18. In every transaction a floor slip initialled by both members, or in case a trade is made by an attorney then by such attorney, must be filed at the post, otherwise the transaction shall not be recognized except as hereinafter provided.

When  
issued  
transactions.

SEC. 19. The Board of Governors may post any security for trading on a "when issued" basis and may prescribe conditions for trading therein and settlement thereof.

Deliveries.

Bids and offers on a security posted for trading on a "when issued" basis shall be made only upon that basis, i.e., delivery to be made when the security has been issued as determined by the Board of Governors.

## BY-LAW No. 30

### TRANSACTIONS

When to be  
settled.

SEC. 1. All transactions, except those specifically designated as cash transactions, made at Sessions of the Exchange shall be settled through The Toronto Stock Exchange Clearing House, and according to the Rules and Regulations governing the same, unless otherwise authorized by a member of the Board of Governors.

Cash  
transactions.

SEC. 1a. A transaction designated as a cash transaction shall be for delivery over-the-counter the same day as made by the hour specified and if no hour is specified then by two o'clock p.m., provided that the Board of Governors may in any particular case or cases provide for delivery at any other time.

Contracts when  
transfer books  
closed.

SEC. 3. All contracts in stocks falling due while the transfer books of such stocks are closed, shall be completed on the opening of the books, except in the case of stocks which are transferable by delivery of certificates.

Accrued interest  
goes to the seller.

SEC. 4. All accrued interest on bonds and debentures on the Official List shall go to the seller unless otherwise arranged at the time of the transaction.

Validations,  
cancellations  
and alterations  
of trades.

SEC. 6. A member of the Board of Governors or of the Floor Procedure Committee may validate a transaction (including a put-through) for which a floor slip has not been filed, or may cancel or alter any transaction for which a floor slip has been filed, provided that application therefor is made by both the buyer and seller by the close of the Session next following the Session during which the transaction was made, and such transaction shall be recorded, cancelled or altered in the record of Exchange transactions accordingly.

Validation  
by Board.

SEC. 7. The Board of Governors may allow or disallow any trade for which a floor slip has not been filed and may cancel or alter any trade for which a floor slip has been filed and such trade shall be recorded or expunged as an Exchange transaction accordingly.

No fictitious  
sales allowed.  
Just and equitable  
principles of  
trade.

SEC. 9. No fictitious sale or contract shall be made and each member shall transact his business openly and fairly, and in accordance with just and equitable principles of trade.

Advantage  
passes with  
stock sold.

SEC. 10. In all sales all intermediate advantage or liability shall pass with the stock, share, bond, debenture or other security, and shall belong to the purchaser, unless otherwise declared at the time of sale.

Stocks selling  
ex-dividends  
and ex-rights, etc.

SEC. 12. Transactions in shares shall be ex-dividend, ex-rights or ex-subscription privileges, as the case may be, on the second full business day preceding the record date or the date of the closing of the transfer books therefor, except transactions therein made specifically for cash. Should such record date or such closing of transfer books occur upon a holiday or half holiday, this rule shall apply for the third preceding full business day.

On cash  
transactions.

Transactions in shares made specifically for cash shall be ex-dividend, ex-rights or ex-subscription privileges as the case may be on the business day following the record date or the date of the closing of the transfer books.

The Board of Governors may in any particular case or cases provide that transactions shall be ex-dividend, ex-rights or ex-subscription privileges at any other time.

Rights on  
stock.

If subscription rights attaching to securities be not claimed by the persons entitled thereto at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on the Exchange, a member, member firm or member corporation holding such rights may, in his or its discretion, sell the whole or any part thereof or exercise the whole or any part thereof, and shall thereafter, upon demand, account therefor to the person or persons entitled thereto, but in no case shall a member, member firm or member corporation be liable for any loss arising through failure to sell or exercise any unclaimed rights.

Reducing  
orders when  
stock goes  
ex-dividend.

SEC. 12a. When a security is quoted ex-dividend, ex-rights, ex-subscription privileges, or ex-interest, the following classes of orders shall be reduced by the value of the payment, right, or privilege on the day the security sells ex:

- (a) Open buying orders.
- (b) Open stop orders to sell.

The following classes of orders shall not be reduced:

- (a) Open stop orders to buy.
- (b) Open selling orders.

Keeping records  
of orders.

SEC. 16. A record shall be kept by each member of all orders received for the purchase or sale of listed and unlisted securities. The record of orders filled shall show the person receiving the order and the time, the price paid or received, the broker from or to or through whom the security was bought or sold, and shall be retained for five years. The record of orders unfilled shall show the person receiving the order and the time, and shall be retained for two years.

Members  
prohibited from  
trading for  
employees of  
other members  
and  
non-member  
brokers.

SEC. 18. No member, member firm or member corporation shall, either directly or indirectly, knowingly buy or sell or carry securities for the personal account of an employee of another member, member firm or member corporation or of a non-member broker or of an investment dealer without the written consent of such other member or of a partner, director or senior official of such other member firm, member corporation, non-member broker or investment dealer, and this prohibition shall apply whether the transaction be made or account carried in the name of the employee or in the name of any other person, firm or corporation, but shall not apply to an employee of an affiliated company of such first-named member, member firm or member corporation.

But not of  
affiliated  
companies.

Hiring  
Exchange  
employee.

SEC. 19. No member, and no person on a member's behalf, shall approach any employee of the Corporation for the purpose of hiring him or her except with the consent of the Board of Governors.

#### BY-LAW No. 40

#### DISCRETIONARY ORDERS

Customers' man  
and other  
employees not  
to handle.

SEC. 1. No customers' man or other employee of a member, member firm or member corporation shall be permitted to handle a discretionary order or exercise any discretion in the handling of an account of a customer of a member firm or a member corporation.

#### BY-LAW No. 42

#### TRADING BY PARTNERS, ETC.

Consent  
required.

SEC. 1. No member, member firm or member corporation shall buy or sell a security, or carry an account, for or on behalf of a partner in any other member firm or a director in any other member corporation without the written consent of at least one of the other partners in such other member firm or at least one of the other directors in such other member corporation. A statement showing the transactions made for such partner or director shall be supplied to the consenting partner or director at least once in each month unless the supplying thereof is waived in writing by such consenting partner or director.

SEC. 2. No member having a partner or partners and no partner in a member firm and no director in a member corporation shall place, or be a party to placing, with another member firm or member corporation an order for the purchase or sale of a security on his behalf or for the carrying of an account on his behalf unless and until the provisions of Section 1 have been met.

#### BY-LAW No. 50

#### ARBITRAGE

When  
prohibited.

SEC. 1. Arbitrage in a security of a company whose principal business is mining or the production of oil or natural gas and which is posted for trading on the Exchange is prohibited.

When  
allowed.

SEC. 2. Arbitrage in a security, otherwise than one mentioned in Section 1 hereof, posted for trading on the Exchange is allowed upon condition that the authorized rates of commission are charged to the account.

Special  
exemptions.

SEC. 3. The Board of Governors may exempt any particular issue or issues from the prohibition in Section 1 (see Ruling 22).

Arbitrage  
defined.

SEC. 4. For the purpose of this By-Law arbitrage is defined as the business of buying or selling securities in one Canadian market with the intention of reversing such transactions in another Canadian market in order to profit from price differences between such markets and which business is not casual but contains the element of continuity.



# BY-LAW No. 55

## SHORT SELLING

Limitation.

SEC. 1. No short sale of a security shall be made on the Exchange below the price at which the last sale of a board lot of the security was effected on the Exchange or at such price unless such price is above the next preceding different price at which a sale of a board lot of the security was effected on the Exchange.

Accepting order to sell.

SEC. 2. It shall be the duty of a member, member firm or member corporation accepting any order for a sale of a security to ascertain at the time of the acceptance of the selling order whether it is an order for a short sale or a long sale.

Short selling order to be marked.

SEC. 3. A member, member firm or member corporation accepting an order which the member or the person accepting it is informed or knows is for a short sale shall mark the order in writing as "short" or "s" and shall report it as such to his or its floor trader and it shall be the duty of such floor trader to see that the price restriction in paragraph 1 is observed.

Record to be kept.

SEC. 4. A member, member firm or member corporation shall keep a record of all transactions known to be short sales and of the particulars of the execution thereof and shall retain this record for a period of at least one year.

Exceptions

SEC. 5. The following sales shall not be regarded as short sales within the meaning of this By-law:

- (a) A sale against a valid and subsisting option to purchase.
- (b) A sale for a bona fide arbitrage account provided the seller at the time of such sale knows, or by virtue of information currently received has reasonable grounds to believe, that an offer enabling him to cover such sale is then available to him and intends to accept such offer immediately.
- (c) A sale of a security by a person who at the time of sale owns another security by virtue of which he is currently entitled to acquire an equivalent number of securities of the same class as the securities sold; provided such sale, or the purchase which such sale offsets, is effected for the bona fide purpose of profiting from a current difference between the price of the security sold and the security owned.

## RULING No. 1

### BOARD LOTS

(See By-law 27, Sec. 14)

#### Mining shares:

500 shares of stock selling under .....\$1.00  
100 shares of stock selling at \$1.00 and over.

#### Other securities:

On securities selling under \$25.00 .....100 shares  
On securities selling at \$25.00 and under \$100.00 ..... 25 shares  
On securities selling at \$100.00 and over ..... 10 shares

### SPECIAL BOARD LOTS

25 shares

Ford Motor Co. of Canada

Hudson Bay

100 shares

Alberta Gas Trunk  
Aluminium Ltd.  
B.A. Oil  
B.C. Power  
C.P.R.  
Chrysler

Cons. M. & S.  
Distillers  
Dom. Fdrs. & Steel  
Falconbridge  
Ford Motor  
General Motors  
Imperial Oil

International Nickel  
Massey-Ferguson common  
Socony Mobil  
Steel Co.  
Trans-Canada Pipe Lines  
Walkers

## RULING No. 8

### DELAYED AND WESTERN DELIVERY

Delayed delivery shall mean delivery at the seller's option within the time specified in the contract, and if no time is specified then delivery at any time at the seller's option within thirty days from the date of the transaction.

When a sale is made for an account located west of Winnipeg, western delivery (seven days) must be specified unless delivery can be made from the selling broker's office.

## RULING No. 10

### ATTORNEY FEES

A fee of \$12.00 for each calendar month or part thereof shall be paid for each attorney.

## RULING No. 16

### TELEPHONE BOOTHS

No member, member firm or member corporation shall establish or maintain a direct telephone connection from a telephone booth on the Exchange trading floor to any non-member.

## RULING No. 22

### ARBITRAGE

The following securities are exempted from the prohibition against arbitrage in By-law 50:

British American Oil	Noranda
Consolidated Smelting	D. A. Stuart Oil
Imperial Oil	Shell Oil of Canada
International Nickel	Supertest
	Texaco Canada

## RULING No. 23

### FLOOR BADGES

1. No one shall be admitted to the trading floor during a Session of the Exchange unless he is wearing a floor badge.
2. Floor badges shall be worn on the left lapel of the coat or in some equivalent position.
3. If a trader or floor clerk arrives at the floor without a badge, a temporary badge may be obtained from the Floor Manager.
4. A trader or floor clerk will be loaned a temporary badge for one day in each month without charge. A fee of \$1.00 will be collected for each additional day except when a new badge has been ordered through the Exchange.

## RULING No. 25

### TRADING AT INACTIVE POSTS

An order filed at an inactive post constitutes a binding offer to buy or sell, which is open for acceptance at the price stated until it is either filled or withdrawn.

No market order will be accepted for filing at an inactive post.

All orders filed at an inactive post are required to be checked on the 15th day of each month or the nearest business day thereto by a representative of the member firm filing same.

## RULING No. 36

### HIRING EMPLOYEE OF A MEMBER

No member and no person on a member's behalf shall approach or carry on any discussion with any employee of another member for the purpose of hiring him or her without first notifying such other member.

## RULING No. 37

### FLOOR TELEPHONE BOOTHS

A member firm or member corporation shall be entitled without charge to one telephone booth on the trading floor for each active seat owned and operated by it, an active seat being one whose floor trading privileges are fully exercised, i.e., either the registered member or his attorney must exercise floor trading privileges.

A member firm or member corporation which jitneys all of its floor trading is not in this category.

## RULING No. 63

### FOREIGN MARKET TRANSACTIONS

1. A foreign market transaction is defined as an exchange transaction which is executed on the trading floor subject to the provisions of the by-laws, rulings and regulations of the Exchange except as they are modified by the provisions of this Ruling.

2. All foreign market transactions shall be deemed to be transactions which come within the exemption from payment of a 15% United States tax as provided by the proposed United States Interest Equalization Tax Act with respect to transactions between United States residents, citizens, partnerships and corporations.

3. The seller in a foreign market transaction shall be required to furnish the buyer with conclusive proof of the ownership and citizenship or residence of the owner from the date of acquisition or July 18th, 1963, whichever is later and such conclusive proof shall be a properly executed certificate of ownership as authorized by the United States Treasury Internal Revenue Service.

4. Good delivery of a security in a foreign market transaction shall mean delivery of a stock certificate in accordance with Exchange Clearing Rules together with the certificate of ownership mentioned in Section 3 of this Ruling.

5. Foreign market transactions shall be settled within the time and on the terms required by Exchange Clearing Rules. The provisions of By-Law No. 20 (Closing Out Contracts Under The Rule) shall apply provided, however, that a foreign market transaction shall be closed out by a buy-in to be executed in the foreign market and the notice required under the By-Law shall so state. Should such a contract not be closed out in the foreign market at the expiration of the next business day following delivery of a notice of buy-in, the Floor Procedure Committee shall have the right to purchase the security in the regular market and, upon such purchase being made, the member in default shall become liable for and within 24 hours shall make payment to the member buying-in an amount equal to 15% of the original contract price. The closing out of a transaction in this manner shall be a final settlement of the transaction without further recourse by any of the parties concerned.

6. The regular market on the trading floor shall take precedence over the foreign market and in the event of bids at the same price in both markets, the bidder in the regular market shall have priority.

7. A sale in the foreign market shall not be made below the bid price in the regular market.

8. Selling orders shall not be placed for execution in the foreign market only. Such orders shall also be available for execution in the regular market at the specified price.

### FLOOR TRADING REGULATIONS

#### REGULATION No. 1

##### PUT-THROUGH TRANSACTIONS

(See By-Law No. 27, Sec. 17)

SEC. 1. A put-through transaction executed free of interference shall have the floor slip marked "SP" and shall be approved and initialled by a member of the Floor Procedure Committee or by a Floor Governor.

SEC. 2. A trader shall not make a put-through for cash unless the approval of an authorized official of the Exchange is obtained.

#### REGULATION No. 2

##### TRADING AT INACTIVE POSTS 10 AND 11

SEC. 1. An order filed at Post 10 or Post 11 shall be entered and time-stamped by a member or attorney.

SEC. 2. Only members, attorneys and Exchange employees shall be permitted to handle slips representing orders to buy or sell and the member or attorney handling an order

- (a) to buy a security shall be responsible for advising the proper Exchange employee of any change in the bid side of the market for such security, or
- (b) to sell a security shall be responsible for advising the proper Exchange employee of any change in the asked side of the market for such security.

SEC. 3. Market orders shall not be accepted for filing on inactive posts 10 and 11 except in the case of broken lots.

### REGULATION No. 3

#### "STOPPING STOCK" PROHIBITED

The practice of "stopping stock" is prohibited on the trading floor.

### REGULATION No. 4

#### ATTORNEYS

(See By-Law No. 12)

SEC. 1. A member may have more than five attorneys on the approved list provided that not more than five shall act as such on the trading floor at any time and no substitution shall be made during any session except on account of illness and without first advising the Floor Manager.

SEC. 2. A member shall declare in writing to the Floor Manager the names of his permanent attorneys and no substitution shall be made unless the Floor Manager is advised prior to the opening of a session.

SEC. 3. The Floor Procedure Committee will hold every attorney responsible for the fact that all trades executed by him on the trading floor are made in compliance with the By-Laws, Rulings and Regulations of the Exchange and, if requested to do so by a member or another attorney, he shall disclose whether or not an order is for the account of a customer.

### REGULATION No. 5

#### DELAYED OPENING

(See By-Law No. 26, Sec. 5 (b))

When the Floor Procedure Committee delays the opening of a stock, the following procedure shall apply:

- (a) No order to buy or sell shall be accepted, changed or withdrawn by the Floor Procedure Committee after 10 A.M. except as set out in paragraph (b), until an opening price has been determined and announced.
- (b) When there is a preponderance of either orders to buy or orders to sell, the Floor Procedure Committee may in its discretion accept additional orders to buy or to sell for the purpose of facilitating the opening.
- (c) No trading in the stock shall take place on the Floor until its opening price has been determined and announced by the Floor Procedure Committee.



# TORONTO STOCK EXCHANGE TORONTO

## NOTICE TO ATTORNEYS AND CLERKS

### UNETHICAL CONDUCT

Sections 9 (b) and 10 of By-Law No. 26 state -

Sec. 9 (b) If and whenever the Floor Procedure Committee shall determine in connection with trading on the trading floor that any attorney or clerk has been guilty of unethical conduct or of a violation of the Floor Trading Regulations, it may impose upon him one or more of the following penalties:

1. A fine not exceeding \$500 which shall be paid by the individual upon whom such fine is imposed;
2. Suspension from the trading floor for such period or periods and upon such terms and conditions, if any, as the Committee may determine;
3. Expulsion from the trading floor;

and shall report the same to the Board of Governors.

Sec. 10. The Floor Procedure Committee may for the purpose of this by-law make such investigation, including the taking of such evidence as it may consider required or advisable in the circumstances.

For the purposes of this by-law "unethical conduct" shall include any act, omission, conduct, manner of doing business or negotiation, which in the opinion of the Floor Procedure Committee is not in the public interest or in the interest of the Exchange, and "member" shall include a member, member firm and member corporation.

Nothing contained in this by-law shall in any way limit or restrict the authority of the Board of Governors under the by-laws of the Exchange and in particular, but without limiting the foregoing, a penalty imposed by the Floor Procedure Committee or an attorney or clerk shall not preclude the Board of Governors from also imposing a penalty upon the member concerned.

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Without in any way limiting the scope of the foregoing, the following shall be regarded as "unethical conduct" by the Floor Procedure Committee:

1. Any course of conduct or business which has the effect of deceiving the public or the purchaser or the vendor of any security as to the nature of any transaction or as to price or value of such security.
2. Creating or attempting to create a false or misleading appearance of active public trading in a security.
3. Entering into or attempting to enter into any scheme or arrangement to sell and repurchase a security or to dominate the market in a security.
4. Causing the last sale for the day in a security to be higher than warranted by the prevailing circumstances.
5. Using or attempting to use any manipulative or deceptive scheme, device or contrivance to influence the market price of a security.
6. Making a fictitious transaction in a security or knowingly giving or accepting an order involving no change of ownership of a security.
7. Conduct of such a nature as to bring the securities business, the Exchange or a member firm or member corporation into disrepute.

January, 1962

BY ORDER OF THE FLOOR PROCEDURE  
COMMITTEE



SUMMARY OF TRADING IN INTERLISTED STOCKS,  
TORONTO, AMERICAN AND NEW YORK STOCK EXCHANGES  
(THOUSANDS OF SHARES)

<u>I N D U S T R I A L S</u>							<u>M I N E S</u>					
<u>Year</u>	<u>Toronto - American Interlisted</u>			<u>Toronto - NEW YORK Interlisted</u>			<u>Toronto - American Interlisted</u>			<u>Toronto - NEW YORK Interlisted</u>		
	<u>No. of issues</u>	<u>Toronto</u>	<u>American</u>	<u>No. of issues</u>	<u>Toronto</u>	<u>New York</u>	<u>No. of issues</u>	<u>Toronto</u>	<u>American</u>	<u>No. of issues</u>	<u>Toronto</u>	<u>New York</u>
1961	33	13,911	8,263	5	3,615	6,321	54	40,136	53,650	6	1,600	3,931
1960	33	8,627	5,110	5	2,585	5,209	54	20,203	27,677	6	1,067	2,981
1959	33	10,697	7,901	5	2,785	9,213	48	33,533	38,086	6	947	2,380
1958	33	6,536	4,861	5	2,362	6,631	46	26,767	30,686	6	1,311	3,247
1957	33	6,245	4,408	5	1,653	4,516	41	30,775	35,383	6	950	2,265
1956	32	6,647	4,892	5	1,443	3,138	36	36,146	30,323	6	1,119	2,269
1955	32	6,677	5,942	5	2,050	4,350	33	30,242	27,756	5	1,316	1,975
1954	31	5,758	4,455	5	1,622	4,099	28	15,050	18,461	4	972	1,812
1953	31	3,795	2,763	5	1,009	3,019	22	14,383	13,327	4	834	1,625
1952	32	4,059	4,192	5	877	3,922	20	15,953	13,152	4	814	2,043
1951	30	5,336	4,128	5	1,471	5,045	14	11,170	11,424	4	972	2,596
1950	30	4,969	4,592	5	1,857	5,378	11	5,865	5,361	4	1,033	2,741
1949	29	2,659	1,817	5	962	2,623	10	3,976	2,243	4	536	1,738



726. 45

Details of Trading in All Interlisted Stocks

Toronto Stock Exchange, New York Stock Exchange and Montreal Stock Exchange

(Thousands of Shares)

	<u>1 9 6 1</u>			<u>1 9 6 0</u>			<u>1 9 5 9</u>		
<u>Industrials</u>	<u>Toronto</u>	<u>New York</u>	<u>Montreal</u>	<u>Toronto</u>	<u>New York</u>	<u>Montreal</u>	<u>Toronto</u>	<u>New York</u>	<u>Montreal</u>
Canadian Pacific Railway Company	1,113	1,008	470	622	769	257	617	1,178	302
Aluminium Limited	807	4,400	615	749	4,060	491	1,016	7,674	740
Distillers Corporation Seagrams Ltd.	675	438	317	293	163	149	329	207	164
Walker (Hiram) Gooderham & Worts Ltd.	544	195	183	459	156	143	511	136	122
Canadian Breweries Limited	476	280	271	462	61	297	312	18	164
	<u>3,615</u>	<u>6,321</u>	<u>1,856</u>	<u>2,585</u>	<u>5,209</u>	<u>1,336</u>	<u>2,785</u>	<u>9,213</u>	<u>1,492</u>
<u>Mining</u>									
International Nickel Co. of Canada Ltd.	841	1,739	393	439	929	209	475	1,027	170
McIntyre Porcupine Mines Ltd.	308	378	45(Cdn)	162	238	43	64	82	20
Hudson Bay Mining & Smelting Co. Ltd.	253	166	77	134	131	85	183	184	88
Dome Mines Limited	148	623	14(Cdn)	264	818	49	163	475	30
Campbell Red Lake Mines Ltd.	41	732	not listed	66	767	not listed	62	464	not listed
Granby Mining Co. Ltd.	9	193	not listed	2	98	not listed	5	148	not listed
	<u>1,600</u>	<u>3,831</u>	<u>529</u>	<u>1,067</u>	<u>2,981</u>	<u>386</u>	<u>947</u>	<u>2,380</u>	<u>308</u>
	<u>5,215</u>	<u>10,162</u>	<u>2,385</u>	<u>3,652</u>	<u>8,190</u>	<u>1,722</u>	<u>3,732</u>	<u>11,593</u>	<u>1,800</u>





- (1) **Fraud.** Every one who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this Act, defrauds the public or any person, whether ascertained or not, of any property, money or valuable security, is guilty of an indictable offence and is liable to imprisonment for ten years.
- (2) **Affecting public market.** Every one who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this Act, with intent to defraud, affects the public market price of stocks, shares, merchandise or anything that is offered for sale to the public, is guilty of an indictable offence and is liable to imprisonment for ten years. (s. 444)

CRIMINAL CODE: NO. 325

**Fraudulent manipulation of stock exchange transactions.**

Every one who, through the facility of a stock exchange, curb market or other market, with intent to create a false or misleading appearance of active public trading in a security or with intent to create a false or misleading appearance with respect to the market price of a security,

- (a) effects a transaction in the security that involves no change in the beneficial ownership thereof,
- (b) enters an order for the purchase of the security, knowing that an order so substantially the same size at substantially the same time and at substantially the same price for the sale of the security has been or will be entered by or for the same or different persons, or
- (c) enters an order for the sale of the security, knowing that an order of substantially the same size at substantially the same time and at substantially the same price for the purchase of the security has been or will be entered by or for the same or different persons, is guilty of an indictable offence and is liable to imprisonment for five years. (s. 444A)



## PROHIBITION AGAINST MANIPULATION OF SECURITY PRICES

### § 4301

#### [Unlawful Acts]

Sec. 9. (a) It shall be unlawful for any person, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, or for any member of a national securities exchange—

### § 4302

#### [Misleading Appearance of Active Trading]

Sec. 9(a). \* \* \* (1) For the purpose of creating a false or misleading appearance of active trading in any security registered on a national securities exchange, or a false or misleading appearance with respect to the market for any such security, (A) to effect any transaction in such security which involves no change in the beneficial ownership thereof, or (B) to enter an order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties, or (C) to enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

### § 4303

#### [Inducing Purchases or Sales by Others]

Sec. 9(a). \* \* \* (2) To effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

### § 4304

#### [Dissemination of Information as to Rise or Fall of Security Prices]

Sec. 9(a). \* \* \* (3) If a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to induce the purchase or sale of any security registered on a national securities exchange by the circulation or dissemination in the ordinary course of business of information to the effect that the price of any such security will or is likely to rise or (fall) because of market operations of any one or more persons conducted for the purpose of raising or depressing the price of such security.

### § 4305

#### [Making of False or Misleading Statements]

Sec. 9(a). \* \* \* (4) If a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to make, regarding any security registered on a national securities exchange, for the purpose of inducing the purchase or sale of such security, any statement which was at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, and which he knew or had reasonable ground to believe was so false or misleading.

### § 4307

#### [Pegging, Fixing or Stabilizing Prices]

Sec. 9(a). \* \* \* (6) To effect either alone or with one or more other persons any series of transactions for the purchase and/or sale of any security registered on a national securities exchange for the purpose of pegging, fixing, or stabilizing the price of such security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

#### .01 Regulation rather than prohibition.—

While abuses are undoubtedly associated with pegging and stabilizing operations, the Committee desiring to proceed cautiously, has not forbidden altogether such operations, but has subjected them to such control as the administrative commission may find necessary in the public interest or for the protection of investors.

House Committee Report No. 1383, 73d Cong., 2d Sess.

#### .10 Maintenance of price artificially raised.

—To extend the statutory allowance of pegging, fixing and stabilizing to permit transactions designed to maintain a price that has already been artificially raised, would neglect the obvious purpose and intent underlying Sec. 9(a)(6) and make its provisions a means for avoiding the prohibitions of Sec. 9(a)(2).

In the Matter of Michael J. Meehan, (1935)  
1 S. E. C. 238.

#### .11 Stabilization—disclosure in prospectus by sticker.—

In answer to inquiries of underwriters proposing certain market purchases to stabilize the price of stock during the underwriting and distribution of a large block of shares, the following opinions were stated: certain stabilizing operations do not fall within the prohibitions of Sec. 9(a)(2) and those not regulated against by the Commission under Sec. 9(a)(6) are legal; it is not required that the price of the security be held to one particular quotation, but activities designed substantially to raise or lower stock exchange prices are prohibitively manipulative; market operations of underwriters should be disclosed in the prospectus for the shares, and giving such information in a sticker attached to the prospectus seems to afford a workable procedure.

Opinion of General Counsel of Commission, Release No. 605, April 17, 1936.

### § 4326

#### [Use or Employment of Manipulative or Deceptive Devices]

Sec. 10. \* \* \* (b) To use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

[15 U. S. Code 78j]











